

# Report on APRIL Group's Implementation of Sustainable Forest Management Policy 2.0

**Submitted to APRIL Stakeholder Advisory Committee on May 28, 2024**

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# 1. Stakeholder Advisory Committee

## Observations

### *Message from the Co-Chairs*

This is the 11th report to the Stakeholder Advisory Committee (SAC) from KPMG Performance Registrar Inc. (KPMG PRI) since the APRIL Group (APRIL) announced its original Sustainable Forest Management Policy (SFMP) in 2014.

Since 2016, the reports have focused on providing assurance over key indicators of SFMP 2.0 performance and APRIL's overall progress in implementing and maintaining its SFMP 2.0 commitments. These reports provide the SAC with an understanding of APRIL's progress in implementing its commitments and allow us to focus on areas where there remain ongoing challenges.

In late 2023 the SAC reviewed the indicators used to track APRIL's performance. The review determined that indicators continue to be suitable and have been used in this year's assurance process. The current indicators are intended to focus reporting on the key aspects of APRIL's performance in delivering on its SFMP 2.0 commitments. Stakeholder feedback on indicators and this report will help to further focus the indicators and report in future years.

Again in 2024 KPMG PRI completed the assurance process with a full field visit component. The SAC is committed to an open and stakeholder inclusive assurance process and in that regard, it was important that KPMG PRI were able to visit concessions and meet with community leaders at a number of villages during the assurance process. With the continued use of field visits, we were pleased to welcome local stakeholder observers to participate in the process and provide valuable feedback.

Overall, the results of the assurance process indicate that APRIL continues to make progress in relation to its key SFMP 2.0 commitments. In particular,

- no harvesting of native mixed tropical hardwoods;
- land recovery continues to restrict development to areas that are not forested and were not forested at the time that APRIL's mixed hardwood moratorium was announced in 2015;
- community support and development continues and appears to be increasingly aligned with APRIL's 2030 commitments;
- continued achievement of low levels of fire across APRIL concessions, with no fires in 2023;
- continuing implementation of dispute resolution processes to address land use disputes and bring non-forested land back into production; and
- ongoing investment in an improved safety culture through the implementation of the Contractor Safety Management System (CSMS) and increasing the percentage of contractors certified through the CSMS approach year after year.

KPMG PRI drew the attention of the SAC to five new "opportunities for improvement" in this report. We anticipate APRIL's timely implementation of the action plans they have identified to address these findings,

particularly those action plans from prior years that were not fully implemented in 2023. This process will foster transparency, build trust and drive continuous improvement across both APRIL and its fibre suppliers.

As always, we would like to thank APRIL staff for working alongside KPMG PRI to enable the production of this important report. We would be remiss to not also thank the APRIL suppliers, contractors and other critical personnel who hosted and worked with the KPMG PRI team during the assurance process.



Ida Bagus Putera Parthama & Rod Taylor  
Co-Chairs  
APRIL Stakeholder Advisory Committee

## 2. Summary and Conclusions

In 2024, KPMG PRI completed a limited assurance engagement over 19 indicators of APRIL Group (APRIL)'s implementation of its Sustainable Forest Management Policy (SFMP) 2.0 commitments. This report describes the scope of the work conducted and KPMG PRI's findings.

### Objective of the engagement

We were engaged by the independent Stakeholder Advisory Committee (SAC) of APRIL to undertake a limited assurance engagement over:

- APRIL's progress in implementing action plans related to seven opportunities for improvement identified in our 2023 limited assurance report and two remaining opportunities for improvement related to prior assurance reports; and,
- APRIL's performance under 19 SFMP 2.0 indicators for the period from January 1, 2023 to December 31, 2023 and related conformance with SFMP 2.0.

### The SFMP Performance Indicators

The SFMP 2.0 performance indicators were adopted by the SAC to provide quantitative information on APRIL's progress implementing its commitments under SFMP 2.0.

Given the nature of the subject matter and the available methods for determining quantitative and qualitative performance data for indicators of this type there are inherent limitations in the degree of precision that can be achieved. APRIL has developed reporting methodologies for each of the indicators, which may change over time and can impact measurements and comparability.

### Management's responsibilities

APRIL management is responsible for the preparation and presentation of the SFMP performance indicator data in accordance with APRIL's internal guidelines and definitions for SFMP reporting.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the SFMP indicator data that is free from material misstatement, whether due to fraud or error. This responsibility includes determining the SAC's objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

APRIL management is also responsible for the development and implementation of the action plans to address the identified opportunities for improvement which are detailed in **Appendix 3**.

### Our responsibility

Our responsibility is to perform a limited assurance engagement and to express a limited assurance conclusion based on the work performed and the evidence we have obtained. The engagement was carried out in accordance with ISO 17021, which is the standard most commonly applied globally for sustainable forest management certification engagements.

## Our approach

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the selected SFMP indicator performance data and applying analytical and other evidence gathering procedures to the data, as appropriate. Our procedures included:

- Inquiries with relevant staff at the corporate and operational level to understand the data collection and reporting processes for the SFMP performance indicator data;
- Comparing the reported data to the underlying data sources;
- Inquiries of management regarding key assumptions and where relevant, the re-performance of calculations; and,
- Field inspections at two PT. RAPP Sectors, three Supply Partner Concessions, one Open Market Supplier Concession and one Community supplier to assess field conditions for consistency with reported data.

The extent of evidence gathering procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Our Findings and Conclusions

Based on our examination:

**Performance Indicator Data and Conformance with SFMP 2.0** – based on the procedures performed and evidence obtained, no matters have come to our attention that cause us to believe that the APRIL SFMP 2.0 performance indicator data included in the report for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with APRIL’s internal guidelines and definitions for SFMP reporting:

- we did not identify any non-conformances in the implementation of SFMP 2.0 requirements during the reporting period.
- we identified five new opportunities for improvement. These are summarized in **Appendix 3** of our report along with formal corrective action plans developed by APRIL to address the opportunities identified.

**Status of Action Plans Developed to Address Previous Assurance Findings** – based on the procedures performed and evidence obtained, no matters have come to our attention that cause us to believe that APRIL’s assessment of action plan status presented in Appendix 4 of this report is not prepared, in all material respects, in accordance with the criteria for determining action plan status described in Appendix 4.

**Good Practices** – While our assurance process was not specifically designed to identify and report on Good Practices, in the course of our work we did identify two Good Practices that were considered to be appropriate to report in order to provide the Stakeholder Advisory Committee with context on APRIL’s implementation of their SFMP 2.0.

Our findings are also provided on an indicator-by-indicator basis within Section 8 of our report, along with explanatory notes on the performance information.

## Use of the Report

Our report is intended solely for use by the independent Stakeholder Advisory Committee (“SAC”) of APRIL for the purpose(s) set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by the SAC, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

Our work has been undertaken so that we might report to the SAC on those matters we have been engaged to report upon in this report, and for no other purpose. We do not accept or assume responsibility to anyone other than the SAC for our work, for this assurance report, or for the conclusions we have reached.

KPMG PRI

KPMG Performance Registrar Inc.

Vancouver BC Canada

May 28, 2024

# 3. Brief overview of APRIL's Operations

APRIL maintains an integrated pulp and paper mill in Pangkalan Kerinci, in Riau Province, Sumatra. The mill is capable of producing 2.8 million tonnes (Mt) of pulp which is then processed into paper (1.13 Mt 2023) and Rayon for Asia Pacific Rayon (0.3 Mt 2023). The mill will also provide pulp to a new paperboard mill in 2024 capable of producing 1.2 Mt of folding boxboard annually, which is co-located at the Pangkalan Kerinci complex.

Fiber for the pulp and paper mill is derived from approximately 450,000 hectares of plantations maintained by PT. Riau Andalan Pulp and Paper (PT. RAPP) and Supply Partner concessions located on Sumatra. APRIL and its Supply Partner plantations currently supply approximately 77% of the mill's fiber needs, the remainder being met by Open Market Suppliers in Sumatra, Kalimantan and Sabah in Malaysia and woodchip supply from Thailand and Vietnam.

A map showing the general location of PT. RAPP and Supply Partner concessions is provided in Figure 1 below. A map showing the location of Open Market Supplier concessions is provided in Figure 2 on the following page. Further information on APRIL's operations can be found at [www.aprilasia.com](http://www.aprilasia.com).

Supply Partners are those suppliers that have long-term partnerships with APRIL, providing all their plantation fiber to APRIL as well as contributing toward APRIL's 1:1 conservation commitment. The remaining supply sources are smaller scale community forests (which provide approximately 1.94% of current supply) and Open Market Suppliers, which are larger scale concession managers with which APRIL contracts for log purchases as well as woodchip manufacturers in Thailand and Vietnam. Open Market Suppliers may sell fiber to third parties and do not contribute to APRIL's 1:1 conservation commitment.

Further information on APRIL, its sustainable forest management commitment and related maps and supplier data are provided on APRIL's sustainability dashboard, located at <http://sustainability.aprilasia.com>.

**Figure 1 General Location of PT. RAPP and Supply Partners**

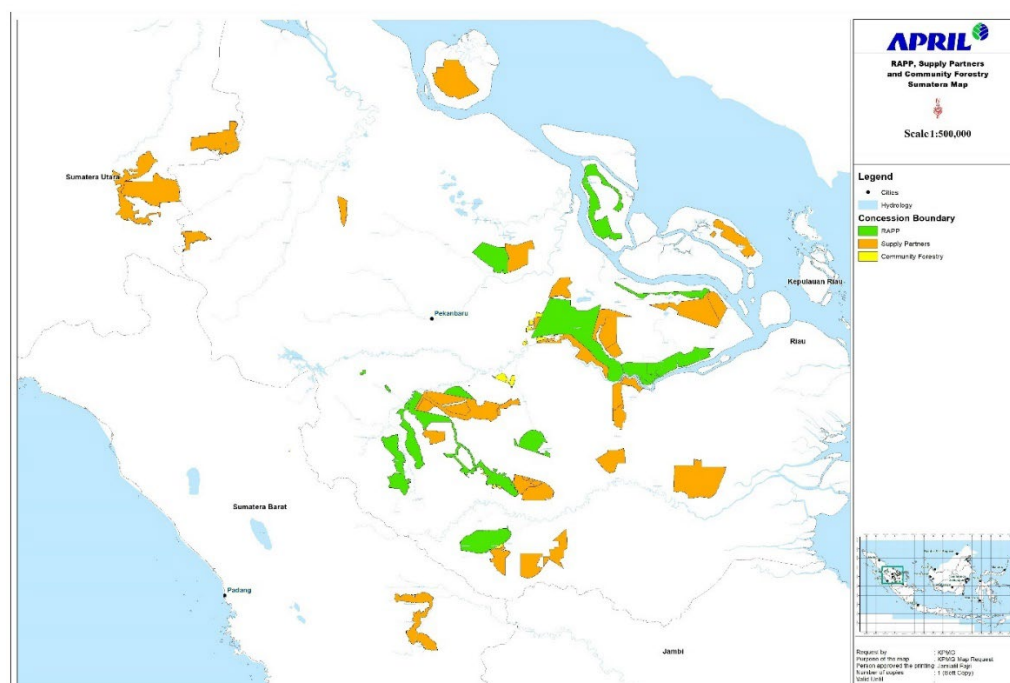
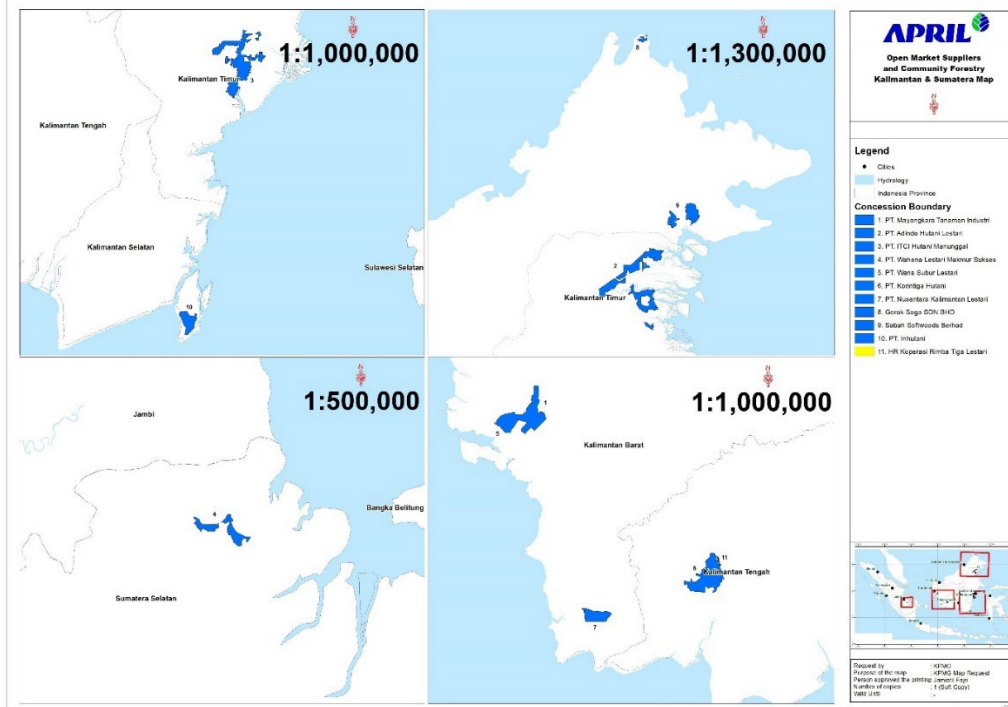




Figure 2 General Location of Open Market Suppliers



# 4. SFMP 2.0 and the Development of Performance Indicators

## Independent Stakeholder Advisory Committee

Since 2014, APRIL has maintained a Stakeholder Advisory Committee (SAC or Committee) of independent sustainable forestry and social experts. The Committee was created to oversee implementation of APRIL's Sustainable Forest Management Policy.

SFMP 2.0 was announced publicly on June 3, 2015 and is the second iteration of APRIL's Sustainable Forest Management Policy. The policy can be found at [Sustainable Forest Management Policy \(SFMP\) 2.0 – APRIL Sustainability Dashboard \(aprilasia.com\)](#) and in **Appendix 1** of this report.

Starting in 2015, the SAC appointed KPMG PRI to undertake public assessments of APRIL's progress on its SFMP 2.0 commitments. KPMG PRI reports its findings directly to the SAC. Historic reports presented to the SAC can be found at <https://sustainability.aprilasia.com/en/sustainable-forestry-management-policy-2-0/>

Minutes of SAC meetings and recommendations made by the SAC can be found at

[Repository – APRIL Sustainability Dashboard \(aprilasia.com\)](#)

## SFMP 2.0 Indicators

**Purpose of Indicators** – The SFMP 2.0 indicators have been established in order to track implementation of SFMP 2.0 over time. The full set of indicators can be found in **Appendix 2**.

**Indicator Development** – Since 2015, APRIL has worked with its independent SAC and external stakeholders to maintain a set of indicators that tracks implementation of key commitments under SFMP 2.0. The indicators were subject to stakeholder consultation with both local and international stakeholders during the development process.

The indicators are refined annually and the current set of 19 indicators was adopted following review by the SAC in its [meeting of December 5-9, 2022](#) and reaffirmed in [late 2023](#).

The indicator set is not expected to remain static for future reporting periods, and will be adjusted over time to reflect:

- The availability of new data that is better suited to monitoring SFMP 2.0 performance;
- Changing areas of interest identified by stakeholders through both APRIL and SAC stakeholder engagement processes;
- Emerging areas of interest identified by APRIL's SAC; and
- Public feedback on the indicators, which are publicly available on APRIL's sustainability dashboard.

# 5. The Limited Assurance Process

## About KPMG Performance Registrar Inc.

KPMG Performance Registrar Inc. (KPMG PRI) is a wholly owned subsidiary of KPMG LLP Canada (the ultimate parent of KPMG PRI), which is the Canadian member firm of KPMG International. KPMG PRI operates as a certification and verification body under the ISO 17021 (management system assurance) and ISO 14065 (GHG assurance) programmes.

KPMG PRI is accredited to conduct certification as follows:

- PEFC chain of custody
- SFI chain of custody
- PEFC Forest Management certification (Canadian Standards Association and Sustainable Forestry Initiative standards)
- ISO 14001 (Environmental Management Systems)
- ISO 9001 (Quality Management Systems)
- ISO 14065 (Greenhouse Gas Verification)

KPMG PRI supports KPMG's Center of Excellence in Forestry in providing field-based assurance over forestry practices. A separate wholly owned subsidiary, KPMG Forest Certification Services Inc. provides FSC forest management and chain of custody certification.

KPMG staff have specific expertise in forestry, biology and social audits and work alongside local Indonesian field teams to provide assurance under SFMP 2.0.

## Conduct of the Engagement

The engagement was carried out in accordance with ISO 17021, which is the global standard most commonly applied to sustainable forest management certification audits.

**Engagement Phases**— The engagement was undertaken as follows:

- Planning – January/February 2024

The proposed approach for 2024 was finalized by KPMG PRI and submitted to the SAC for approval following a one week planning visit to the Kerinci mill. The planning visit reviewed APRIL's data, selected specific concessions and estates to visit and developed a detailed logistical plan to complete the engagement.

A formal limited assurance plan with detailed site visit logistics and documentation requirements was shared with APRIL immediately before the initiation of limited assurance activities.

- Concession field visits – February/March 2024

Seven field visits were undertaken as described in Table 1 below. In addition, the corporate office at the Kerinci mill site was visited between February 19 and March 6, 2024 to conduct interviews with APRIL staff as well as to undertake document and record review and assessment of chain of custody over wood flows into the mill.

**Table 1: Location of site visits**

Sector / Concession	Ownership	Dates
HR KT Mandiri Sejahtera	Community Supplier	February 19, 2024
Ukui	PT. RAPP	February 21-23, 2024
PT. SRL Pulau Rangsang	Supply Partner	February 20-23, 2024
PT NUSANTARA KALIMANTAN LESTARI	Open Market Supplier	February 27-29, 2024
Pelalawan North Pelalawan North/South/South	PT. RAPP	February 28-March 1, 2024
PT. Mitra Taninusa Sejati	Supply Partner	February 28-March 1, 2024
PT. Nusantara Sentosa Raya	Supply Partner	March 4-6, 2024
Riau Ecosystem Restoration (RER)	PT. RAPP	March 4-5, 2024

- Action planning and acceptance – April 2024

APRIL developed and submitted corrective action plans for the findings identified during the limited assurance process. These corrective action plans were reviewed by KPMG PRI for adequacy and once determined to be adequate, were accepted.

Timely and effective implementation of corrective action plans are the responsibility of APRIL. Future reviews will assess the implementation of these corrective action plans.

- Report development and review with the independent Stakeholder Advisory Committee – April/May 2024

In the reporting phase, the engagement team reviewed additional documentation supporting indicator performance and gathered explanations to support key assertions in the indicators. Initial conclusions were fact-checked with APRIL prior to finalizing the draft report.

The draft report was then developed and submitted to the Stakeholder Advisory Committee for comment prior to finalization.

**Team** – The engagement team consisted of eight professionals as shown in Table 2.

**Table 2: Engagement Team**

Shawn Ellsworth	Professional forester (RPF) and environmental and OHS auditor (EMS and OHS (LA)). Over 25 years forest industry experience and 18 years forest certification experience using PEFC, FSC, SFI and CSA standards. Direct experience conducting regulatory investigations of logging practices as well as advising companies on controls over promotion of sustainable harvest techniques.
Chris Ridley-Thomas	Professional biologist (RPBio) and environmental auditor (EP EMSLA). Over 20 years forest certification experience using PEFC, FSC, SFI and CSA standards. Experience in North America, Eastern Europe, South America, South East Asia. Environmental due diligence experience related to tropical concessions and REDD projects. Direct experience conducting regulatory investigations of logging practices as well as advising companies on controls over elimination of illegal harvest. 8 years of experience with forestry in Indonesia
John Drummond	Professional forester-in-training (FIT) and environmental and OHS auditor. Over 3 years experience with carbon accounting and reporting, harvested wood product life-cycle analysis and reporting, greenhouse gas emission reporting, and forest sector auditing. Experienced with public sector, private industry, and First Nations clients in North America, Europe, and Asia. Project experience includes forest carbon research supporting intergovernmental

	climate change adaptation and mitigation strategies, assessing feasibility and verifying crediting of forest carbon offset projects, supporting forest carbon and harvested wood product inventories and modelling, and forest certification auditing.
Cindy Hutchison	Professional forester (RPF) and environmental auditor (EMSLA). Over 28 years' experience working in forestry, natural resources, environmental management, and second-party and third-party auditing of PEFC Chain of Custody; FSC Forest Management, Chain of Custody and Controlled Wood; SFI Forest Management, Fiber Sourcing, and Chain of Custody; CSA (PEFC Canada) Forest Management; Sustainable Biomass Program; and ISO 14001 and ISO 9001 standards (completing over 1000 audits). Experience in audits of mining, pulp and paper, sawmilling, engineered wood products, and pellet production for public, private, and indigenous businesses.
Michael Buell	Professional forester (RPF). Over 20 years experience in sustainable forest management as well as assessment and implementation of forest carbon offset and ecological projects. Experience with private industry, pension funds, TIMO/REITs, government and First Nations clients on projects spanning North America, South America and Asia. Extensive experience in assessing, developing, and managing forest carbon offset projects, data preparation and modeling to support baselines and project activities, project documentation, forest carbon inventory design and development, field sampling, use of satellite imagery, audit and project management support.
Yudi Iskandarsyah	Forester with a degree in Forestry from the Faculty of Forestry, Bogor Agricultural Institute and a Masters in Environmental Management from Yale School of Forestry and Environmental Studies. Extensive Indonesian experience over 27 years covering sustainable forest management, FSC forest management and controlled wood auditing, HCV and HCS assessment. Previous experience with TNC, including Deputy Program manager of TNC-WWF Alliance to Promote Forest Certification and Combat Illegal logging in Indonesia.
Nawa Irianto	Forester with a degree in Forest Product Technology from the Faculty of Forestry, Bogor Agricultural Institute. Extensive Indonesia / Liberia /Laos experience over more than 20 years covering sustainable forest management, FSC forest management /controlled wood auditing, community and small-scale forestry and biodiversity assessment. Previous experience as head of operations for 4 forest concessions in Indonesia, with TNC as Manager of Improved Forest Management and with TFT as Forest Certification Specialist and East Indonesia Program Manager.
Agus Putera	Forester with a degree in Forestry from the Faculty of Forestry, Bogor Agricultural Institute. Extensive Indonesian experience as well as South and North American experience over 30 years covering sustainable forest management, FSC forest management and controlled wood auditing, verification of legal compliance and wood legality, chain of custody and remote sensing.
Michelle Champion	Environmental professional with a degree in Environmental Sciences, Queens University. Over 5 years of experience in sustainability assurance reporting, social return on investment, and greenhouse gas verification and validation. With experience in pulp and paper manufacturing, forestry, energy, and not-for-profits.
Emily Merlo	ESG professional and Chartered Professional Accountant (CPA Canada). Bachelor of Science in Biology (conservation, ecology, evolution) from Simon Fraser University and diploma in accounting from the University of British Columbia. Over 5 years of experience which includes corporate sustainability (primarily ESG assurance in forestry), financial statement audits (energy and natural resources-based industries), and lab and field-based research.
Vivian Vivian	Jakarta based ESG professional with over 3 years of experience in corporate sustainability, internal audit, assurance, project management and research. Holds accounting degree from Petra Christian University. Previous experience on the APRIL engagement providing language support to the assurance team in Kerinci.

**Stakeholder Observers** – The stakeholder observer process was continued in 2024 to support the transparency of the limited assurance process. Stakeholders were provided with an opportunity to observe the limited assurance process in the field in 2024. One observer accompanied KPMG PRI to two concessions and head office interviews

to observe the limited assurance process for a total of six days. The observer feedback was shared with the Stakeholder Advisory Committee. This feedback informs the planning and approach for future site visits.

## 6. Approach to Reporting

For each of the performance indicators, information is presented from two sources:

- APRIL’s own quantitative data related to the indicator; and,
- KPMG PRI’s information on the work undertaken to assess the indicator data and the KPMG PRI findings.

Each performance indicator is presented in the following general format:

**Table 3: Format of performance data presented in Section 8.**

INFORMATION PROVIDED BY APRIL	<b>APRIL data for the period from January 1 to December 31, 2023</b>	The report presents quantitative performance data prepared by APRIL in relation to each of the performance indicators in order to set a performance baseline against which future progress can be gauged
INFORMATION PROVIDED BY KPMG PRI	<b>Evidence Reviewed</b>	The key evidence reviewed by KPMG PRI in relation to performance
	<b>Findings</b>	Additional information to provide context to the indicator data and explain the link between the indicator data and SFMP 2.0
	<b>Non-Conformances</b>	Non-conformances are raised where the indicator data or the lack of indicator data is associated with a breach of the requirements of SFMP 2.0.
	<b>Opportunities for Improvement</b>	Opportunities for improvement are raised where KPMG PRI identifies opportunities for improvement in the scope of the indicator, the indicator data collection and quality control processes, or in the nature of the underlying SFM practices and monitoring undertaken by APRIL in relation to the indicator. In such cases a specific breach of SFMP 2.0 has not been identified.
	<b>Good Practices</b>	Good Practices are identified where KPMG PRI identifies specific practices being undertaken by APRIL or its suppliers that clearly demonstrate the potential of SFMP 2.0 to drive continuous improvement. While our limited assurance process was not specifically designed to identify and report on Good Practices, we include these practices in our report in order to provide the Stakeholder Advisory Committee with context on APRIL’s implementation of the performance indicators.
	<b>Observation</b>	Observations are raised in order to draw attention to information important to an understanding of APRIL’s performance. These are not non-conformances and relate to topics where APRIL already has continuous improvement initiatives underway and therefore an “Opportunity for improvement” is not warranted and an action plan is not necessary.

# 7. Status of Prior Year Action Plans

APRIL data related to status of open actions for prior non-conformances and opportunities for improvement

Table 4a: Status of action plans related to non-conformances.

There were no open action plans related to non-conformances at the time of this engagement.

Table 4b: Status of action plans related to historic opportunities for improvement.

SFMP 2.0 Policy Element	# of open action plans from prior years	# of action plans "Closed" in 2023	# of action plans "In Progress"	# of action plans "In Development"
I. Long-term sustainability	-	1	-	-
II. Forest protection and conservation	-	-	-	-
III. Peatland management	-	-	-	-
IV. Continuous reduction of carbon footprint	-	-	-	-
V. Proactive support of local communities	-	-	-	-
VI. Respect the rights of indigenous peoples and communities	-	1	-	-
VII. Responsible practices in our workplaces	-	4	-	-
VIII. Legal compliance and certification	-	2	-	-
IX. Good corporate governance, verification and transparency	-	1	-	-
X. SFMP 2.0 Addenda	-	-	-	-
Data Reporting	-	-	-	-
<b>Total</b>	-	<b>9</b>	-	-

## KPMG Comments and Findings

The current status of each action plan is rated as either closed (the required actions to address the issue have been undertaken and the issue is being addressed), In Progress (the required actions are in the process of implementation but are not yet complete) or In Development (the approach to implementing the action plan has not yet been finalized and the issue has not yet been addressed).

Details of the previous findings can be found in **Appendix 4**. All nine of the open action plans have now been closed.



# 8. Summary of SFMP 2.0 Indicator Performance

## I. Long Term Sustainability Indicators

### Indicators Assessed

Two performance indicators on Long Term Sustainability were assessed as follows:

I	Long Term Sustainability
<b>Overall objective: By increasing the productivity of our own plantations and those of our suppliers on our existing plantation footprint and eliminating mixed hardwood from natural forest from our supply chain</b>	
a.	Tonnes of fiber by source (PT. RAPP, OM, SP, Community Forest for peat and mineral)
b.	Ha and % of additional fiber plantation consistent with SFMP requirements

### Indicator Performance

I	Long Term Sustainability
a.	Tonnes of fiber by source (PT. RAPP, OM, SP, Community Forest for peat and mineral)

### APRIL data for the period from January 1, 2023 - December 31, 2023

This table shows the breakdown of fiber source to the PT. RAPP pulp and paper mill in Kerinci by source.

Fiber source	2023 Deliveries		2022 Deliveries <sup>1</sup>	
	(Tonnes)	(%)	(Tonnes)	(%)
<b>Plantation</b>				
PT. RAPP	6,050,901	38.83%	4,601,446	37.98%
Supply Partners	6,002,000	38.52%	5,554,276	45.84%
Open Market Suppliers	2,429,011	15.59%	1,775,385	14.65%
Community Forestry	302,535	1.94%	33,261	0.27%
<b>Sub-Total</b>	<b>14,784,447</b>	<b>94.88%</b>	<b>11,964,368</b>	<b>98.74%</b>

<sup>1</sup> In the 2023 SFMP 2.0 report, 2022 data was specific to log deliveries as chip deliveries were on a trial basis only. As chip deliveries significantly increased in 2023, the data for both years now includes both log and chip deliveries.

Mixed Hardwood (MHW)				
PT. RAPP	-	-	-	-
Supply Partners	-	-	-	-
Open Market Suppliers	-	-	-	-
Community Forestry	-	-	-	-
<b>Sub-Total</b>	-	-	-	-
Chips				
Open Market Suppliers	797,952	5.12%	152,076	1.26%
<b>Sub-Total</b>	<b>797,952</b>	<b>5.12%</b>	<b>152,076</b>	<b>1.26%</b>
<b>Total</b>	<b>15,582,399</b>	<b>100.00%</b>	<b>12,116,444</b>	<b>100.00%</b>

**Evidence Reviewed**

APRIL provided information on deliveries by supplier to the Kerinci mill for 2023. The information was cross-checked against scale delivery data on a sample basis to check the accuracy and completeness of amount received, its source and its plantation status. We also reviewed mill (record keeping), wood yard (weigh bridge wood reception procedures for checking origin, legality checks and weighing) and concession inspections (legality documentation and volume calculations) on a sample basis to assess whether only legally harvested plantation species were being supplied and the accuracy of volume and weight figures.

**Findings**

This indicator tracks the source of supply for PT. RAPP’s Kerinci mill.

In 2023, APRIL increased their fiber deliveries by over 29%. This was achieved (55%) by increasing fiber deliveries from PT. RAPP and Supply Partner plantations, which remain the main source of mill fiber. The majority of the remaining increase resulted from additional plantation log supply from Open Market Suppliers and an increase in the amount of plantation chips received from Vietnam and Thailand following a small volume of deliveries on a trial basis in 2022 and part of 2023. The chip trial ended during the reporting period and has since been adopted as a regular supply source.

Consistent with the SFMP 2.0 commitment to not source mixed hardwood, no mixed hardwood deliveries were identified during the sample period based on the sampling undertaken.

**Indicator Performance**

I	<b>Long Term Sustainability</b>
b.	Ha and % of additional fiber plantation consistent with SFMP requirements.

**APRIL data for the period from January 1, 2023 – December 31, 2023**

PT. RAPP and Supply Partners	2023 (Ha)		2022 (Ha)	
	PT. RAPP	Supply Partners	PT. RAPP	Supply Partners
New development of fiber plantation	N/A	N/A	N/A	N/A

**Evidence Reviewed**

A consolidated report identifying any first rotation plantation establishment (R1) was provided by the APRIL team, including details of the analysis completed by APRIL to check conformance with the SFMP 2.0 requirement to only develop areas that are not forested. KPMG reviewed historic land use records and viewed satellite imagery for a sample of sites in addition to conducting field inspections of some of the sites to assess whether the first rotation plantation sites were initially non-forested and had remained non-forested since the implementation of SFMP 2.0 in 2015.

**Findings**

This is a key indicator of conformance of SFMP 2.0 requirements which states:

- *Effective immediately, APRIL and its suppliers will only develop areas that are not forested, as identified through independent peer-reviewed High Conservation Value (HCV) and High Carbon Stock (HCS) assessments.*

For each proposed first rotation planting site, APRIL’s planning team conducts a review and analysis to confirm the hectares are correctly categorized, and the location of those hectares is consistent with approved HCS and/or HCV assessments. In those areas where there is not a current HCS assessment, proposed planting sites are assessed for evidence of continuing non-forested status since June 2015.

In 2023, all of the first rotation planting samples selected for assessment by KPMG PRI showed evidence of continuing non-forested status since June 2015.

An assessment of APRIL’s progress in addressing **2022 Opportunity for Improvement #1**, relating to the need to update the Land Recovery SOP processes and evidence standards for demonstrating non-forested status determined that APRIL has developed and implemented a new SOP called “Rotation one planting analysis.” KPMG PRI assessed the planting analysis and the procedure at the field level and based on this assessment, this opportunity for improvement has been closed.

## II. Forest Protection and Conservation Indicators

### Indicators Assessed

Four performance indicators on Forest Protection and Conservation were assessed as follows:

II	Forest Protection and Conservation
<b>Overall objective: To increase the amount of conservation area to at least match that of our plantations and to develop and transition toward landscape-based plans for our concessions and our long-term supplier concessions to protect ecosystem functions and conserve native biodiversity.</b>	
a.	Ha of conservation area damaged (land claim/ no land claim)
b.	Progress toward 1:1 commitment
c.	Ha available for restoration
d.	Ha of restoration in progress

### Indicator Performance

II	Forest Protection and Conservation
a.	Ha of conservation area damaged (land claim/ no land claim)

### APRIL data for the period from January 1, 2023 - December 31, 2023

	Loss of forested conservation by cause (Ha)			
	Areas subject to land claims		Areas not subject to land claims	
	Encroachment	Fire	Encroachment	Fire
PT. RAPP	57	0	50	0
Supply Partners	34	0	228	0
Ecosystem Restoration Licenses (RER)	0	0	0	0
<b>2023 Total</b>	<b>92</b>	<b>0</b>	<b>278</b>	<b>0</b>
<b>2022 Total</b>	<b>425</b>	<b>0</b>	<b>238</b>	<b>0</b>

### Evidence Reviewed

The hectares of forest loss by cause presented above were agreed to APRIL's conservation and indigenous area loss document, which is derived using APRIL's "Landbank" which tracks land cover across all APRIL and Supply Partner operations. The accuracy of the landbank data was sample checked during field inspections of PT. RAPP sectors and Supply Partner concessions and through review of satellite imagery-based land cover change data.

The extent of fire and encroachment was assessed through comparison to internal APRIL records, field inspections and review of satellite and aerial imagery.

### Findings

This indicator tracks APRIL's effort in maintaining the quality of conservation areas.

Potential land cover change associated with encroachment is tracked using satellite imagery and field verified at the concession/estate level. Consistent with previous years, no fire or encroachment activities were detected in ecosystem restoration (RER) areas in 2023.

In 2023, no new fires were identified in conservation areas. Encroachment in conservation areas showed a decline but remains an ongoing management challenge, particularly in conservation areas located on mineral soil, where land use pressures are higher.

### Indicator Performance

II	<b>Forest Protection and Conservation</b>
b.	Progress toward 1:1 commitment

### APRIL data for the period from January 1, 2023 - December 31, 2023

	Conservation area	Total plantation area	Ratio
PT. RAPP	71,479	208,821	34%
Supply Partners	139,946	236,590	59%
Community Forestry	-	8,610	0%
Ecosystem Restoration Licenses (RER)	150,711	-	100%
<b>Total - December 31, 2023</b>	<b>362,136</b>	<b>454,021</b>	<b>80%</b>
<b>Total - December 31, 2022</b>	<b>361,232</b>	<b>454,045</b>	<b>80%</b>

### Evidence Reviewed

Plantation and conservation hectares were cross-checked against APRIL's Landbank and the ratio recalculated. Accuracy of conservation hectares was sample checked during field inspections.

### Findings

This indicator tracks progress on APRIL's commitment to establish conservation areas equal in size to its plantation areas. The ratio currently considers all conservation areas (regardless of quality) except those that are subject to land claim.

In 2023, there was an increase of 904 hectares in reported conservation, and a decrease of 24 hectares in total plantation area. These changes were reviewed and found to be reasonable and were a result of changes in boundary measurements, changes in the overall amount of land under claim, and changes in land use categories.

## Indicator Performance

II	<b>Forest Protection and Conservation</b>
c.	Ha available for restoration

### APRIL data for the period from January 1, 2023 - December 31, 2023

	Five Year Restoration plan (Ha)					Total planned restoration area (Ha)
	2024	2025	2026	2027	2028	
West	28.75	40.46	30.97	27.02	27.02	154.23
South	16.81	24.70	14.79	14.79	14.79	85.89
East	1.17	3.17	1.17	0.00	0.00	5.50
North	0.00	0.00	0.00	0.00	0.00	0.00
Northwest	2.03	0.00	0.00	0.00	0.00	2.03
<b>Total</b>	<b>48.76</b>	<b>68.34</b>	<b>46.93</b>	<b>41.82</b>	<b>41.82</b>	<b>247.66</b>

### Evidence Reviewed

The restoration plan presented above was prepared by APRIL using the company's "PIMS" system, which was developed to track the status of encroachment activities and areas subject to land claims. Field concessions visits reviewed current and potential restoration areas to understand the restoration plans and logic for priority areas.

### Findings

This indicator supports the objective of working to improve the quality and impact of conservation land by restoring conservation lands re-claimed through settled disputes.

APRIL currently has a significant area of land designated as conservation land. However, some of this area has been degraded through historic encroachment activities and has been subject to land claims. To improve the quality of the conservation area, APRIL created a 5-year restoration plan (2023 – 2028) for restoration of degraded areas that have become available upon the settlement of land disputes.

To create the plan, APRIL reviewed information in PIMS to identify conservation areas. The breakdown for the estates within each region is as follows:

Region	Estate
West	Ukui, Langgam Baru, Teso (Timur and Barat), Logas, Nagodang
South	Baserah, Cerenti, Peranap, Sijunjung, Seilanjut, Lubuk Jambi
East	Meranti, Merbau, Bayas, Tasik Belat, Pelalawan, Tasik
North	Pulau Padang, Serapung, Rangsang, Mandau, Seraya
Northwest	Seikabaro, Garingging, Rupert, Padang Lawas, Pasir Pangaraian, Libo, SBI

The 5-year plan was determined based on the suitability for restoration of the areas recovered through settlement of historical land disputes. Therefore, the plan acts to set a minimum level of restoration to achieve each year based on areas already recovered.

In 2023, minor adjustments were made to the next 2 years of the plan (2024, 2025) to reflect the additional restoration potential associated with recent land recovery activities.

The actual area with restoration activities in 2023 was found to be higher than planned as more land became available for restoration following additional land recovery during the year. The additional land recovery related to both new encroachment and the settlement of disputes related to historic encroachment. The pattern of exceeding the projected amount of restoration is likely to continue as the amount of land that will be recovered is not reasonably forecastable. Further, APRIL does not currently set formal annual targets for the amount of land recovery from conservation area.

### 2024 Opportunity for Improvement #5

The 5-year analysis of hectares available for restoration captures restoration opportunity in areas that were historically encroached inside conservation area that are not currently under claim (i.e., available for immediate restoration). Current restoration activities significantly exceed the annual targets as the area available for restoration is supplemented on a continuing basis by 1) new encroachment requiring restoration; and 2) the restoration of land areas associated with historic encroachment following the resolution of the associated land claims. However, the location of the areas recovered and restored is not prioritized based on their potential to support APRIL’s conservation priorities as documented in Conservation Forest Management Plans and the developing plans for species at risk.

Given the significant area of non-forested land that remains under claim within the conservation area, there is an opportunity to further support restoration objectives by setting specific targets for resolution of land claims within the conservation area, particularly in higher-priority areas identified in Conservation Forest Management Plans and the developing plans for species at risk.

### Indicator Performance

II	<b>Forest Protection and Conservation:</b>
d.	Ha of restoration in progress

### APRIL data for the period from January 1, 2023 - December 31, 2023

	Ha in restoration as of 2023	Ha in restoration as of 2022
PT. RAPP	30.26	38.42
Supply Partners	82.96	72.88
<b>Total</b>	<b>113.22</b>	<b>111.30</b>

### Evidence Reviewed

APRIL prepared a 2023 restoration analysis using data extracted from the APRIL Landbank and land cover change data. KPMG reviewed the supporting documentation and pictures for a sample of the areas restored and conducted field visits to a sample of sites to confirm that restoration activities had been undertaken.

## Findings

This indicator tracks progress on APRIL's plans for restoration of historically damaged conservation area, focusing particularly on the number of hectares where restoration activities have been performed in 2023. Restoration is noted as "in progress" as successful restoration following planting may require ongoing maintenance activities in future years to achieve effective regeneration.

Restoration involves re-planting a designated conservation area with native tree species. In each estate there is a native species nursery where seeds are collected from the region to provide locally appropriate seedlings for restoration activities.

After an area is re-planted, the restoration teams check on the progress of restoration every 4 months for two years. This way they can assess whether restoration efforts are successful, and seedlings are not lost to flooding or other hazards.

This level of restoration activity in 2023 remained relatively consistent with 2022.



## III. Peatland Management

### Indicators Assessed

One performance indicator on Peatland Management was assessed as follows:

III	Peatland Management
<b>Overall objective: Minimize greenhouse gas emissions and impacts on peatland function by halting further development of forested peatland and developing and implementing best practices on peatland that is currently non-forested or has established plantations</b>	
a.	Percentage of peatland landscape under conservation

### Indicator Performance

III	Peatland Management
a.	Percentage of peatland landscape under conservation

### APRIL data for the period from January 1, 2023 - December 31, 2023

This table shows the ratio of conservation area to plantation area on peatland.

	PT. RAPP	Supply Partners	Ecosystem Restoration Licenses (RER)	Community Fiber Suppliers	Total 2023	Total 2022
Plantation on peatland (Ha)	111,786	130,041	-	6,901	248,728	249,093
Conservation on peatland (Ha) <sup>1</sup>	46,584	99,213	150,711	-	296,508	295,097
% of conservation to plantation	<b>42%</b>	<b>76%</b>	<b>100%</b>	<b>0%</b>	<b>119%</b>	<b>118%</b>

<sup>1</sup>Conservation area includes forested and open areas as well as small amounts of agriculture and infrastructure and excludes conservation area under land claim.

### Evidence Reviewed

The above data was cross-checked against APRIL's 2023 Landbank. In addition, samples of peatland conservation were reviewed in the field to confirm their existence.

### Findings

Overall, the area of peatland conservation remained steady in 2023 with minor changes reflecting net changes in the amount of conservation subject to land claim (which is excluded from the calculation) and improvements in data accuracy over time.

## IV. Continuous Reduction of Carbon Footprint Indicators

### Indicators Assessed

Two performance indicators on Continuous Reduction of Carbon Footprint were assessed as follows:

<b>IV</b>	<b>Continuous Reduction of Carbon Footprint</b>
<b>Overall objective: Reduce the lifecycle GHG emissions footprint of our products by increasing mill energy efficiency and use of renewable fuel sources and establishing an accurate baseline for land-based emissions from which to initiate emission reductions</b>	
a.	Percentage of Kerinci mill energy needs met by renewable energy
b.	Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices

### Indicator Performance

<b>IV</b>	<b>Continuous Reduction of Carbon Footprint</b>
a.	Percentage of Kerinci mill energy needs met by renewable energy

### APRIL data for the period from January 1, 2023 – December 31, 2023

Energy Consumption	Mill energy use (TJ)	
	2023	2022
Renewable energy consumption	106,163	92,890
Total energy consumption	129,377	113,068
% of external energy needs met from renewable sources	<b>82%</b>	82%

### Evidence Reviewed

Review of energy calculations and related assumptions. Data sources were reviewed and reported data was agreed to APRIL's SAP system generated data, inventory systems and spreadsheets developed for APRIL's mill in Kerinci. Key calculations were re-performed on a sample basis.

### Findings

This indicator tracks the percentage of renewable energy used to meet the energy needs of APRIL's mill in Kerinci.

In 2023, both the total energy consumption and energy produced from biomass in the mill increased by approximately 14% compared to 2022. The rise in total energy consumption can be attributed to an increase in mill production and capacity in 2023. The increase in renewable energy is primarily a result of the addition of a new recovery boiler, which became operational in January 2023; and to a more limited extent, increased solar panel installations and the addition of B35 renewable biodiesel as an energy source.

Though the mill's energy needs have increased, the percentage of the mill's energy needs covered by renewable energy remains consistent with last year at 82%.

## Indicator Performance

<b>IV</b>	<b>Continuous Reduction of Carbon Footprint</b>
b.	Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices

### APRIL data as of December 31, 2023

	RER Canals Blocked	Installed Blocks
<b>Total</b>	23	75

### Evidence Reviewed

Review of the Riau Ecosystem Restoration (RER) Carbon project documentation to understand proposed canal blocking activities, water monitoring stations, locations, data (e.g., water table depth and rainfall) and models and procedures to support these activities. Data sources were reviewed in the office and a sample of installed dams and water monitoring stations were observed in the field. Calculations were re-performed on a sample basis.

### Findings

The Riau Ecosystem Restoration (RER) Carbon project was initiated in 2016 with the objective of protecting and restoring 130,090 hectares of peatland ecosystem on the Kampar peninsula. The project includes an objective to rewet 9,106 hectares of the landscape through damming and subsequent blocking of 146km of legacy canals located in the project area. Re-wetting of peat leads to reduced oxidation and, as a result, reduced greenhouse gas emissions. APRIL's canal blocking was initiated in 2016 with an objective of damming 25 canals by 2024.

As of December 31, 2023, APRIL has blocked 23 canals with 75 installed blocks within the RER and with 2 remaining canals to complete in order to meet the planned total of 25 canals. RER are inspecting and maintaining canals which was supported by field visits to a sample of canal blocks.

To support the project, 105 monitoring stations have been placed within and outside the project area to monitor water levels. RER staff are monitoring the water table regularly for depth and subsidence. Field sites visited to assess monitoring activities demonstrated the ability to consistently collect water table data. Hydraulic conductivity survey and monthly water table depth summaries reviewed by KPMG PRI indicate a clear and expected impact on water table resulting from canal blocking and higher water table depth inside the project area.

**Observation:** The area re-wetted by canal blocking is the key factor in reducing greenhouse gas emissions from the degraded peatland in the project. However, there are different approaches to the calculation of the area re-wetted which may yield substantially different results in terms of area re-wet and, as a result, substantially different estimates of greenhouse gas impact. APRIL has established a large-scale water table monitoring program and may be able to use this data, along with other project data, to better understand the impact of canal blocking on area re-wet in terms of both area impacted and seasonal changes in the degree of impact to support more robust calculations of the greenhouse gas impact of the canal blocking.

## V. Proactive Support of Local Communities Indicators

### Indicators Assessed

One performance indicator on Proactive Support of Local Communities was assessed as follows:

<b>V</b>	<b>Proactive Support of Local Communities</b>
<b>Overall objective: To continually seek opportunities to consult and align with the interests of communities</b>	
a.	Community Development Projects and sample of investments confirmed with in-field inspection

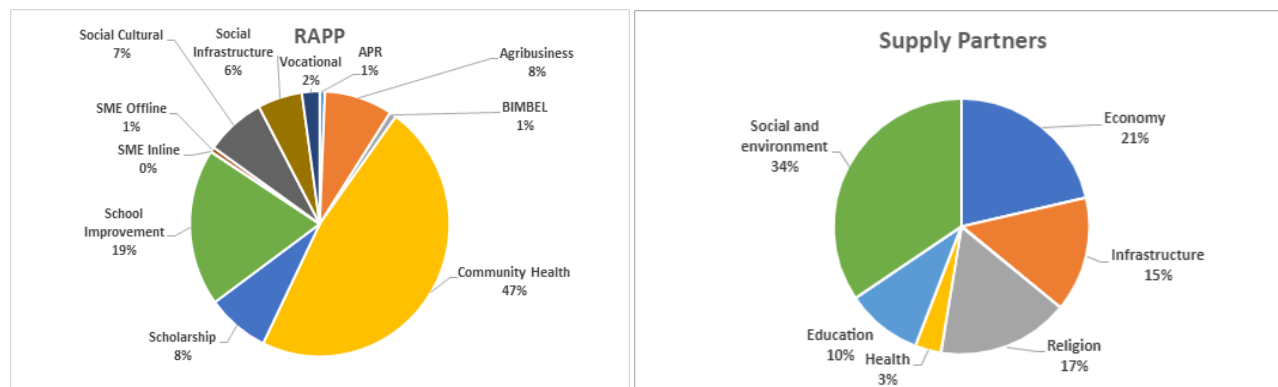
### Indicator Performance

<b>V</b>	<b>Proactive Support of Local Communities</b>
a.	Community Development Projects and sample of investments confirmed with in-field inspection

### APRIL data for the period from January 1, 2023 – December 31, 2023

	<b>PT. RAPP</b>	<b>Supply Partners</b>	<b>Total 2023</b>	<b>Total 2022</b>
Total US\$ spent on social projects <sup>1</sup>	\$1,193,341	\$233,467	\$1,426,808	\$832,386

Exchange rate USD = Rp 15,723 (Source: Bank Indonesia as of March 6, 2024)



### Evidence Reviewed

APRIL provided a breakdown of social infrastructure projects undertaken by PT. RAPP and Supply Partners during 2023. Individual projects were sampled to confirm the nature of the spending and the amount spent and field visits were conducted in 2024 to a sample of communities to assess the implementation of the social spend and receive feedback from the community on its contribution.

## Findings

This indicator looks at the nature of the community development projects funded by APRIL and its Supply Partners in 2023. Community feedback provides qualitative information on the success of the projects and opportunities to make them more effective.

Community spend definitions are categorized as follows:

### PT. RAPP categories of spend:

Category of Spend	Activities
Vocational	Specialized training and internships for use of forklifts, operational permits, and vocational teaching facilities.
Social Cultural	Facilities for assisting youth in villages including sports facilities and study facilities.
SME Online	Training for small and medium enterprises for jobs within the PT. RAPP supply chain.
SME Offline	Training for small and medium enterprises in areas such as sewing and batik, tailor, packaging, and welding.
School Improvement	School development and training for teachers, and materials for construction improvements such as repairs for schools and fences.
Scholarship	Scholarships for high school and undergraduate levels.
Social Infrastructure	Materials and construction assistance for mosques, public facilities such sports fields and courts, and cleaning of canals and roadsides.
Agribusiness	Training for improved yields, agriculture facility improvements, seeds, and other farming equipment.
Community Health	Equipment and training for community members including parent management training counselling, youth nutrition, and medical examinations.
Bimbel	Supplementary education and tutoring services to students, particularly those preparing for entrance exams.
APR	Initiatives aimed at supporting communities, including fashion-related scholarships, assistance for vocational education materials, and promotion of local crafts such as weaving.

### Supply Partner categories of spend:

Category of Spend	Activities
Social and environmental	Programs for home fire disasters, flood relief, and natural disasters, and funding for youth facilities and activities including sports equipment.
Economy	Training and equipment for various activities such as cultivating animals and farmland, village SMEs, and agricultural and fishing equipment.

Education	Scholastic facilities, school supplies, and educator training.
Health	Equipment and training for public health center vaccinations, nutritional assistance, and stunting prevention.
Infrastructure and facilities	Materials and assistance for road repairs, bridges, village office renovations, supplies and equipment.

KPMG PRI met with at least one village representative at each of the PT. RAPP and Supply Partner sites visited in 2024. The focus of the discussions was to build an understanding of the nature of the process for requesting funding, confirming the use of the funds and gathering feedback from the village representatives on whether the support had met its intended needs.

The focus of community development spending varies significantly between PT. RAPP and Supply Partners. PT. RAPP spending has been focused increasingly on key APRIL 2030 goals related to community health and economic development, making up approximately 75% of PT. RAPP spending in 2023. These focus areas made up only 24% of Supply Partner spending in 2023, as Supply Partners are not part of the APRIL 2030 initiative.

Based on our field interviews, village representatives consistently communicated a positive impact of the funding on their communities.

A few examples of projects sampled included:

- Providing scholarships to secondary students: interviews with the Vice Headmaster of a Senior Secondary School noted that all students who had received scholarships had gone on to graduate. After graduation, some students went on to further schooling, and others have secured employment.
- Community project support: village leaders characterized the community development programs as having high impact within the community through economic development, infrastructure improvements, and increased medical support. Economic development impact included the development of recreational services in the community such as boat rental, tours, and fishing excursions as a result of boat and motor donations.
- Economic development project involving a pineapple plantation: in 2021 village members received two hectares of land between four households, along with funding for pineapple seedlings and agricultural business management training in Kerinci. Consequently, the village initiated an agribusiness enterprise, selling pineapples grown on their land at local market stands. The Community Development program played an important role in fostering business expansion within the village by encouraging farmers to distribute free seedlings to new farmers. As a result, the village participation expanded to twelve households by 2023, with 5 hectares dedicated to pineapple cultivation, and future plans to expand the business into processing pineapples into products such as jam. This expansion has increased the community's opportunity to secure government funding to develop processing facilities and obtain farm vehicles to support more growth.

**Good Practice**

Continuing involvement of community development programs over time has resulted in recipients reporting an increased level of impact.

## VI. Respect the Rights of Indigenous Peoples and Communities

### Indicators Assessed

Two performance indicators on Respect the Rights of Indigenous Peoples and Communities were assessed as follows:

<b>VI</b>	<b>Respect the Rights of Indigenous Peoples and Communities</b>
<b>Overall objective: To demonstrate respect for the rights of indigenous peoples and rural communities throughout operations</b>	
a.	Ha of dispute area resolved and net change in area requiring resolution (including FPIC)
b.	Number of cases entered and resolved through the Corporate Grievance Mechanism

### Indicator Performance

<b>VI</b>	<b>Respect the Rights of Indigenous Peoples and Communities</b>
a.	Ha of dispute area resolved and net change in area requiring resolution (including FPIC).

### APRIL data for the period from January 1, 2023 – December 31, 2023

	Ha requiring resolution		Net change in area requiring resolution	Change in inoperable area
	2023	2022	2023	2023
<b>PT. RAPP</b>	24,922	24,300	622	(1,030)
<b>Supply Partners</b>	19,774	18,142	1,632	(4,208)
<b>Total</b>	44,696	42,442	2,254	(5,466)

### Evidence Reviewed

Data provided above was cross-checked against APRIL landbank data. Field visits conducted in 2024 included samples of new and resolved dispute areas to confirm the resolution of the disputes and the scale of the areas noted.

### Findings

This indicator tracks hectares of dispute area resolved and net change in area requiring resolution. Change in inoperable area includes areas where the nature of the claim makes it unlikely that APRIL will be able to resolve the dispute. The reduction in inoperable area in 2023 indicates that some progress has been made in resolving areas previously considered as having a low chance of resolution in the foreseeable future.

After accounting for transfers between “Ha requiring resolution” and “inoperable area”, there was a net reduction of 3,212 hectares in the area requiring resolution, reflecting ongoing efforts by APRIL to resolve the significant backlog of areas requiring dispute resolution.

In 2022, we had noted that a significant portion of the area requiring resolution was related to sites where the claimant had not been identified, limiting options for timely resolution. In 2023, we noted that both PT. RAPP and Supply Partners had substantively addressed this issue resulting in the following good practice:

### Good Practice:

Efforts to address the backlog of area under dispute where there was no identified claimant were effective in 2023, with claimants being identified for 92% of the area under dispute that did not previously have an identified claimant.

### Indicator Performance

<b>VI</b>	<b>Respect the Rights of Indigenous Peoples and Communities</b>
b.	Number of cases entered and resolved through the Corporate Grievance Mechanism

#### APRIL data for the period from January 1, 2023 - December 31, 2023

	PT. RAPP	Supply Partner
Number of valid Corporate Grievances received	12	25
Number of valid Corporate Grievances resolved	11	25
Number of valid Corporate Grievances still in the resolution process	1	0

### Evidence Reviewed

PT. RAPP and Supply Partner's 2023 grievance master files were reviewed, along with the standard operating procedures (SOPs) for both PT. RAPP and Supply Partners. Interviews were conducted to discuss the grievance processes and SOPs. Testing was performed on individual grievances as part of our on-site visits. During estate and concession site visits, interviews were conducted, and concession level logbooks were reviewed to assess the correct identification and subsequent treatment of grievances. In addition, during site visits testing was performed on individual grievances, interviews were held with a small sample of stakeholders from local villages, and awareness of the grievance process was assessed.

### Findings

The corporate grievance system was created to ensure employees and communities have a way to report grievances arising from activities performed by APRIL. In 2023, more grievances were reported and captured than in prior years, as a result of efforts to more consistently capture local concession level grievances.

In 2023, PT. RAPP recorded 12 grievances, 11 of which were settled within the same year, while one remains ongoing. These grievances pertained to:

- Damage to villager's plantation
- Dusty road on company corridor
- Blocked access to villager's shop
- Damaged road
- Company's concession boundaries issue
- Trench construction project issue
- Cleaning in plantation area for community handover

In 2023, supply partners recorded 25 grievances, all of which were resolved. These grievances pertained to:

- CD assistance
- Employment



- Flood
- Infrastructure
- Land dispute
- Pest infestation
- Road repair
- Street watering

**Observation:** Comparison of Grievance SOPs and processes identified differences in the scope of what is considered a corporate grievance by PT. RAPP and Supply Partners. This is a result of the use of a single reporting channel for all types of grievance (community and employee) by Supply Partners compared to the use of multiple reporting channels by PT. RAPP, with employee grievances reported through different systems and not included within the corporate grievance total which is based on community grievances. This leads to a lack of comparability between reported numbers of grievances for PT. RAPP and Supply Partners.

Progress on **2020 Opportunity for Improvement #2**, which relates to a lack of management visibility over the type and extent of grievances at supply partner concessions: PT. RAPP sites implemented the revised grievance SOP in 2022 leading to central recording of PT. RAPP grievances. Supply Partner sites have implemented a revised grievance process and have committed to provide an annual summary of grievances received. The first summary was provided in January 2024 in the form of an updated master file with details on the grievances. This creates improved visibility over the nature and extent of the grievances to APRIL. As a result, **2020 Opportunity for Improvement #2** has been closed.

## VII. Responsible Practices in Our Work Places Indicators

### Indicators Assessed

Two Responsible Practices in Our Workplaces Indicators were assessed as follows:

VII	Responsible Practices in Our Workplaces Indicators
<b>Overall objective: To provide a safe, productive, and conducive work environment throughout its wood supply chains where employees including those of sub-contractors, can contribute and advance</b>	
a.	# of fatalities
b.	% of contractor workforce currently approved under APRIL Contractor Safety Management System standards

### Indicator Performance

VII	Responsible Practices in Our Workplaces Indicators
a.	# of fatalities

### APRIL data for the period from January 1, 2023 – December 31, 2023

	PT. RAPP – Mill	PT. RAPP – Fiber	Supply Partners	Open Market Suppliers
# of fatalities (2023)	1	0	4	Not available
# of fatalities (2022)	1	2	4	
# of fatalities (2021)	2	3	2	

### Evidence Reviewed

Consolidated records of incidents were reviewed for the Kerinci Mill and Fiber operations (PT. RAPP and Supply Partners). Incident reports for all five fatalities, including corrective action plans were reviewed and supplemented by a media review and interviews at the Kerinci head office and a sample of concessions to identify whether all fatalities had been reported.

### Findings

This indicator tracks work fatalities for PT. RAPP's mill site, and fatalities at fiber operations for PT. RAPP and Supply Partners.

Fatality data does not include incident data for capital projects at the mill site, Open Market Suppliers or Community Forests.

While fatalities occurred in 2023, the overall number of fatalities has marginally declined over the period of 2021 to 2023; however, there has been an overall increase in fatalities for supply partners.

To address **2023 Opportunity for Improvement #1**, which relates to improving safety culture, APRIL provided evidence of updated training materials covering safety issues noted during prior site visits as well as evidence of related training sessions across concessions during 2023. Additionally, monthly emails are being provided to sector safety representatives to communicate safety reminders to employees to encourage a better safety culture.

In response to **2023 Opportunity for Improvement #2**, which relates to consolidation of action plans across all investigated safety incidents, APRIL has shifted to a consolidated database for tracking incidents, investigations, and action plans with implementation timelines. As a result of this consolidation, a summary of monthly incidents is now being shared across all sectors to improve safety awareness. Based on the progress described above, both **2023 Opportunity for Improvement #1** and **2023 Opportunity for Improvement #2** have been closed.

Development of a robust safety culture is a long-term commitment and continuing actions are expected to be required by APRIL to achieve this. In this context, two new opportunities for improvement were identified in 2024:

#### **2024 Opportunity for Improvement #1**

The following safety related findings were noted during our assessment, indicating a continuing need to focus on the continued development of safety culture across APRIL and its suppliers:

- A) All fatality incidents within fiber operations involved new contract workers who had been working at APRIL for under 1 year and this observation was not evident in the incident investigations and root cause analysis documentation.
- B) A review of incident reports did not indicate a clear focus on the adequacy of hazard assessment processes prior to initiating new work or changing existing work. Examples of safety related observations that would be expected to be identified by a robust hazard assessment process noted during site visits include:
  - APRIL jet boats did not have infant life jackets. Infants were being passed up and down between the boat and the top of the jetty.
  - A jetty being used by APRIL jet boats lacked appropriate handrails and decking was missing.
- C) Ongoing issues were noted at one site with a lack of adequate lashing used to secure loads of wood on trucks. To date, the solution has been to provide new straps. Incident reports do not indicate a clear consideration as to whether the current lashing is adequate or if there is an opportunity to provide additional training on loading and securing wood and/or revising lashing equipment and procedures.

#### **2024 Opportunity for Improvement #2**

During field visits it was noted that personal protective equipment (PPE) were either not consistently being worn by employees and contractors or not consistently provided.

The following observations were made at PT. RAPP/Supply Partner sites:

- A) At one supply partner, workers loading trucks were observed as lacking high-visibility vests and gloves.
- B) At a jetty, there were several workers not wearing appropriate PPE (e.g., hard hats, high visibility vests and foot ware). In addition, some workers were engaged in horseplay with a worker being pushed off the barge with a 2 to 3m drop.

The following observations were made at an Open Market Supplier site:

- A) A chemical applicator was using his hands with gloves to scoop chemicals for application onto seedling. A tool has now been provided. The chemical was observed to be dripping on the ground. The drainage tray has now been angled to drip back into the main tray rather than on the ground. Additionally, the gloves worn by the planters appear to be too porous to keep hands protected from the chemicals.
- B) A debarking crew were observed to not be wearing high visibility vests while working on site.

## Indicator Performance

VII Responsible Practices in Our Workplaces Indicators	
b.	% of contractor workforce currently approved under APRIL Contractor Safety Management System standards.

### APRIL data for the period from January 1, 2023 - December 31, 2023

	2023	2022
# of contractor workforce approved under APRIL's CSMS	110	113
Total contractors	171	175
% of contractor workforce approved under APRIL's CSMS	65%	65%

### Evidence Reviewed

The data above was cross-referenced against the listing of Contractor Safety Management System (CSMS) compliance. Samples of data supporting the fulfilment of CSMS compliance requirements by contractors were reviewed. Field interviews confirmed CSMS training on a sample basis.

### Findings

This indicator tracks the coverage of CSMS certifications across APRIL. This safety compliance standard was created and put in place by APRIL to ensure all contractors working for APRIL are equipped and protected against health and safety risks and hazards. The scope of this indicator is for the fiber group only and excludes mill safety which has its own CSMS.

There are four CSMS levels: basic, beginner, intermediate, and advanced which are determined by the APRIL safety team based on the risk level of work being performed, and the number of staff within the contracting company. All contractors must maintain at least the basic CSMS requirements to be contracted with APRIL. However, CSMS assessments are only performed on contractors who fall into the beginner, intermediate, and advanced levels.

CSMS levels are determined using a risk matrix with number of workers and risk level of activities performed. The higher the CSMS level, the more criteria must be met to achieve CSMS approval.

In 2023, there were 73 desktop audits performed, of which 32 contractors passed. Twenty-three contractor field audits were conducted, of which 20 were passed and approved under CSMS.

The percentage of the contractor workforce approved under APRIL's fiber CSMS remained consistent with 2022 at 65%. Contractor turnover was identified as a reason for lack of year on year increases in the number of contractors approved under the CSMS as this results in the pool of approved contractors shrinking and being replaced by new contractors that need to go through the CSMS assessment process.

In response to **2023 Opportunity for Improvement #4**, which was in relation to poor road conditions increasing safety risks, APRIL presented an analysis of options to repair the mainline and provided photographic evidence of completed repairs and evidence of maintenance being conducted in Meranti. Approximately 16km of road was repaired. Based on the actions completed to date the status of this finding is closed.

## VIII. Legal Compliance and Certification Indicators

### Indicators Assessed

Two performance indicators on Legal Compliance and Certification were assessed as follows:

<b>VIII</b>	<b>Legal Compliance and Certification Indicators</b>
<b>Overall objective: To go beyond legal compliance toward achieving sustainable forest management</b>	
a.	Ha of concession burned
b.	% of fiber supplied with SFM certification & legality certification

### Indicator Performance

<b>VIII</b>	<b>Legal Compliance and Certification Indicators</b>
a.	Ha of concession burned

### APRIL data for the period from January 1, 2023 – December 31, 2023

	# of instances caused by APRIL/supplier	Ha burned	# of instances caused by third parties	Ha burned	Total Ha burned
<b>Total (2023)</b>	0	0	0	0	<b>0</b>
<b>Total (2022)</b>	0	0	2	5	<b>5</b>
<b>Total (2021)</b>	0	0	4	7	<b>7</b>

### Evidence Reviewed

APRIL developed a listing of fires in 2023 on PT. RAPP and Supply Partner (“SP”) concessions. Land cover change data was field sampled during concession site visits to assess completeness of the fire listing and the accuracy of information reported. A media review was conducted to search for evidence of unreported fires. Concession level interviews and inspections were completed to assess completeness of fire data and ongoing existence of fire suppression programs.

### Findings

Fire management is a critical element of APRIL’s compliance commitments. This indicator tracks the number of instances of fire that occur on PT. RAPP and SP concessions and the associated cause of the fires. At this time, open market suppliers and community fiber plantations are excluded from the scope of this indicator.

APRIL maintains an active fire suppression program to address instances of fire on concessions that includes:

- Fire Village Free Program: a fire prevention project which aims to educate and raise awareness about the negative impacts of land burning among local communities in Riau, Indonesia.
- Fire Aware Community: community awareness program to introduce concepts around fire prevention, smoke haze and health.

- Internal and external socialization: socialization activities conducted internally among employees (including firefighters and staff) and externally with stakeholders and local communities regarding fire prevention education, live exercises on the use of fire extinguishers, fire blankets, water pump operation, etc.
- Fire risk assessment: an annual activity involving the assessment of fire-prone areas and subsequent actions for those areas deemed at risk of fire.

Field work identified a number of fires that were identified and actioned by APRIL that were close to, but not inside, concession boundaries but did not identify fires that occurred within the concession areas of PT. RAPP or supply partners in 2023.

Progress was noted in relation to **2023 Opportunity for Improvement #7** which relates to APRIL evolving their tree cover loss monitoring processes with improved satellite detection technology for better analysis of data: APRIL demonstrated that it is aligning tree cover loss monitoring processes (e.g., hotspot identification, boundary delineation, ground truthing and satellite imagery) with improved data sources (e.g., SIPONGI: TERRA/AQUA, NASA (MODIS, NOAA20 & SNPP)) to support continuing improvement in the analysis and interpretation of the data to more accurately identifying and quantifying cover loss. As a result, **2023 Opportunity for Improvement #7** has been closed.

## Indicator Performance

<b>VIII</b>	<b>Legal Compliance and Certification</b>
b.	% of fiber supplied with SFM certification & legality certification

### APRIL data for the period from January 1, 2023 - December 31, 2023

SFM and legality	Type of certificate and legality	Percentage of fiber supplied with SFM and legality	
		2023	2022 <sup>1</sup>
SFM and legality	PEFC IFCC (international) and PHPL (national)	98.7%	99.5%
Legality only	VLK, DKP or FSC Controlled Wood	1.3%	0.5%
<b>Total</b>		<b>100%</b>	<b>100%</b>

<sup>1</sup> In the previous report, 2022 data was specific to log deliveries as chip deliveries were on a trial basis only. As chip deliveries significantly increased in 2023, the data for both years now includes both log and chip deliveries.

### Evidence Reviewed

The data above was cross-checked against APRIL's list of certificates using public databases as well as deliveries data from all sources for PT. RAPP, Supply Partners and Open Market Suppliers. Certifications for a sample of concessions were confirmed against supporting certificates and samples of selected certificates were reviewed to assess their validity and confirmed onsite during field site visits.

### Findings

The indicator tracks the existence of third-party compliance mechanisms for checking wood legality requirements for APRIL's fiber supply.

Consistent with the prior year, all APRIL's supply sources had at least one form of legality certification. The proportion of "legality only" increased in 2023 due to increased deliveries of chips from Vietnam and Thailand as well as increased deliveries from community forests.

In response to **2023 Opportunity for Improvement #5**, which was in relation to APRIL's response times for internal and external action plans, APRIL presented an internal memo instructing employees and Supply Partners to observe both internal and external timelines for closing findings, and awareness training for non-conformity procedures. KPMG reviewed a sample of corrective action plans while on site and found no further observations of overdue action items in 2024. As a result, **2023 Opportunity for Improvement #5** has been closed.

# IX. Good Corporate Governance, Verification and Transparency

## Indicators

### Indicators Assessed

One performance indicator on Good Corporate Governance, Verification and Transparency indicator was assessed as follows:

<b>IX</b>	<b>Good Corporate Governance, Verification and Transparency</b>
<b>Overall objective: To implement best practices in corporate governance and transparency</b>	
a.	% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections

### Indicator Performance

<b>IX</b>	<b>Good Corporate Governance, Verification and Transparency</b>
a.	% of OM suppliers meeting minimum supplier standards based on annual due diligence inspections

### APRIL data for the period from January 1, 2023 – December 31, 2023

	Fiber Suppliers	Community Forest Suppliers	Chip Suppliers	Total
Total OM suppliers	11	1	8	<b>20</b>
% meeting minimum standards - 2023	100%	100%	100%	<b>100%</b>
% meeting minimum standards - 2022	100%	100%	66%	<b>92%</b>

<sup>1</sup> The minimum supplier standards is set at 90%.

### Evidence Reviewed

KPMG reviewed APRIL's SFMP 2.0 Compliance SOP and due diligence supplier reports for Open Market log and Chip suppliers. Reports were reviewed to confirm the completion of the form, and that all suppliers had passed the due diligence standard.

### Findings

APRIL's SFMP 2.0 Compliance SOP was initiated in November 2016, began socialization with Open Market Suppliers in March 2017 and was approved in May 2017. The SOP guides the due diligence procedures for suppliers and was updated in 2021 to better align with PEFC standards.

Under the Open Market Supplier due diligence process, there is a requirement for initial new supplier due diligence, including a retrospective analysis of post-June 2015 clearing, as well as an ongoing annual audit requirement for Open Market Supplier compliance to SFMP 2.0. If the supplier does not meet the criteria, the supplier will not be



contracted by PT. RAPP. The due diligence is conducted by APRIL before contract signing or whenever the contract is renewed (usually annually) to ensure that the performance requirements are aligned with APRIL's SFMP 2.0.

To address **2023 Opportunity for Improvement #6**, which arose as APRIL's historic SFMP 2.0 Compliance SOP did not address the specific complexities and different risks associated with overseas chip suppliers, APRIL revised their SFMP 2.0 Compliance SOP to add procedures and requirements tailored for chip suppliers. Additionally, a specific Chip Supplier DDS form was created to address the requirements. Based on these actions, **2023 Opportunity for Improvement #6** is now closed. However, a new Opportunity for Improvement has been raised based on our review of the updated procedures:

### **2024 Opportunity for Improvement #3**

APRIL's due diligence processes for wood suppliers are captured in the SOP AGRO/SFM-003-PR. While the SOP has been updated to differentiate between log suppliers and chip suppliers, the procedures for chip suppliers do not include a retrospective analysis to determine whether supply sites were subject to forest clearing after June 2015. The nature of current chip supplies is agricultural land and some additional evidence is available to support a risk based approach to these sites. The absence of specific steps (whether risk based or through a detailed retrospective analysis depending on the nature of the supply) within the chip supplier due diligence process leads to a potential increased risk of non-conformance with a key commitment of SFMP 2.0.

## X. SFMP 2.0 Addenda

### Indicators Assessed

Two performance indicators were assessed in relation to the SFMP 2.0 addenda as follows:

X	Addenda to SFMP 2.0
<b>Overall objective: To address Sustainable Forest Management Topics of increasing importance since the development of SFMP 2.0 in 2015</b>	
a.	Ha of GMO planted (including trials)
b.	Number and status of plans for priority Rare, Threatened and Endangered species (not started, in development, approval, implementation)

### Indicator Performance

X	Addenda to SFMP 2.0
a.	Ha of GMO planted (including trials)

### APRIL data for the period from January 1, 2023 - December 31, 2023

	% of plantation footprint where GMOs are planted or used
PT. RAPP	0%
Supply Partners	0%

### Evidence Reviewed

KPMG reviewed APRIL'S GMO Use Policy as well as PEFC audit results for PT. RAPP's fiber supply (PEFC does not allow GMOs in the supply chain). KPMG also inquired regarding GMO use during concession field visits.

### Findings

No evidence of GMO use or trials was observed throughout field work or based on interviews performed at the Kerinci head office.

APRIL's GMO use policy stipulates no trials are permitted by APRIL. All employees interviewed regarding GMOs indicated an awareness of the policy and the absence of trials. Additionally, APRIL's most recent PEFC chain of custody certification audit results did not identify any GMOs in the supply chain for the Kerinci mill.

## Indicator Performance

X	Addenda to SFMP 2.0
b.	Number and status of plans for priority rare, threatened and endangered species.

### RER data for the period from January 1, 2023 - December 31, 2023

Local name	Scientific name	English name	IUCN	Status of plan
Biuku	<i>Orlitia borneensis</i>	Malaysian giant turtle	CR	Not started
Gajah Sumatera	<i>Elephas maximus sumatranus</i>	Sumatran elephant	CR	Approved, not yet implemented
Harimau Sumatera	<i>Panthera tigris sumatrae</i>	Sumatran tiger	CR	Approved, not yet implemented
Trenggiling	<i>Manis javanica</i>	Sunda pangolin	CR	Approved, not yet implemented
Kucing Tandang	<i>Prionailurus planiceps</i>	Flat-headed cat	EN	Not started
Kukang	<i>Nycticebus coucang</i>	Sunda slow loris	EN	Not started
Tapir	<i>Tapirus indicus</i>	Malayan tapir	EN	Not started
Musang Air	<i>Cynogale bennettii</i>	Otter civet	EN	Not started
Bangau Bluwok	<i>Mycteria cinerea</i>	Milky stork	EN	Not started
Itik Rimba	<i>Asarcornis scutulata</i>	White-winged duck	EN	Not started

### Evidence Reviewed

KPMG confirmed the existence of APRIL's approved management plans for *Elephas maximus sumatranus*, *Panthera tigris sumatrae* and *Manis javanica* and discussed the plan development, approval process, and implementation plan with management.

### Findings

This indicator tracks the status of plans for priority rare, threatened and endangered (RTE) species identified by APRIL. The priority RTE species identified by APRIL were determined by identifying species of fauna in the geographic scope listed as critical or endangered within the International Union for Conservation of Nature (IUCN). APRIL worked with independent contractors to develop management plans for these three species. These plans were internally reviewed and approved in 2023 by APRIL management.

In 2023, APRIL was able to complete and approve management plans for three RTE species over three landscapes: Padang Island, Kampar Peninsula, and Tesso Nilo. APRIL focused on one species in each of these regions: Sunda Pangolin (Pulau Padang), Sumatran Tiger (Kampar Peninsula), and Sumatran Elephant (Tesso Nilo). The plan areas were selected based on research performed over the habitat ranges for the three at risk species selected, and where conservation efforts would have a strong impact and support from local communities. For example, the local Pulau Padang community and pangolin conservation enthusiasts showed a strong desire to improve protection of the pangolin, where initiatives in this region to protect the pangolins were previously rare. For Tesso Nilo, elephants became a flagship species in the 2000s. Although they are recognized as an important species, human-elephant conflicts are still prevalent in the area. Regarding the Kampar Peninsula, Sumatran tigers are a central concern for

the region, especially related to declining populations due to land conversion and human conflicts so this location was determined to be a critical habitat to implement conservation measures.

Though the approved plans include implementation activities, to date implementation activities identified in the approved RTE species management plans have yet to be started.

#### **2024 Opportunity for Improvement #4**

Through discussion with APRIL and review of priority RTE documentation, KPMG found all plans are currently focused on fauna species. As APRIL's activities have the potential to impact both flora and fauna species, this is a gap in the coverage for this indicator. Additionally, KPMG found there is no defined timeline for the creation, approval, and implementation of the priority RTE species plans. Without a defined timeline, there is a risk of inconsistent and/or delayed progress in meeting this indicator.

*Appendix 1: SFMP 2.0*



## APRIL Group's Sustainable Forest Management Policy 2.0

3 June 2015

APRIL Group (APRIL) is committed to sustainable development in all locations where we operate by implementing best practices in social, environmental and economic spheres as guided by our business philosophy that whatever we do must be "Good for the Country, Good for the Community, and Good for the Company".

We commit to eliminating deforestation from our supply chain and to protecting the forest and peatland landscapes in which we operate and to supporting best practice forest management in all countries where we source wood. We commit to respecting human rights and environmental aspects throughout our wood supply chains. Our goal is to be a good and responsible neighbor in the local, national and global community.

APRIL's Sustainable Forest Management Policy (SFMP) 2.0 was developed with inputs from APRIL's Stakeholder Advisory Committee (SAC) and key stakeholders from civil society. This Policy is an evolution of APRIL's SFMP 1.0, launched on 28 January 2014. This Policy incorporates the Royal Golden Eagle (RGE) Sustainability Framework<sup>1</sup>.

The commitments made in this document apply entirely and exclusively to APRIL, which is an independently managed company with operations in Indonesia. It also covers all current and future wood suppliers to APRIL as well as any future acquisitions or partnerships.

### I. Long Term Sustainability:

*APRIL's objective is to establish sustainable plantations that supply wood to its mill, provide employment opportunities and economic wellbeing for the community. APRIL and its suppliers will take a landscape approach to conservation of forest, peatland and other important environmental and social values.*

- a. Effective immediately, APRIL and its suppliers will only develop areas that are not forested, as identified through independent peer-reviewed High Conservation Value (HCV) and High Carbon Stock (HCS) assessments;
- b. APRIL and its suppliers will actively protect HCV and HCS areas;
- c. APRIL and its suppliers will follow the HCS Approach as prescribed by the HCS Approach Steering Group;
- d. APRIL and its suppliers will use HCV Resource Network (HCVRN) licensed assessors; if such assessors are unavailable, APRIL will refer to SAC for recommendations of HCV assessors;
- e. To achieve the above, APRIL will seek partnership with relevant stakeholders (NGO, government, companies, local communities and conservation experts) in protecting and managing forests within the landscape where APRIL operates;
- f. APRIL will practice integrated conservation and forest management which incorporates findings from HCV, HCS, social assessments, and on peatland areas, inputs from the Peat Expert Working Group (PEWG);

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<sup>1</sup> Refer to Royal Golden Eagle's website at <https://www.rgei.com/sustainability/sustainability-policy>

- g. By 15 May 2015, APRIL and its suppliers halted all harvesting of mixed hardwoods<sup>2</sup>. Mixed hardwoods harvested before 15 May 2015 will be utilized by APRIL's mill before end December 2015;
- h. Any residual fiber cleared from non-forested land, as defined by HCV and HCS as scrub land, will be utilized by APRIL's mill;
- i. APRIL will not establish a new pulp mill and/or a new pulp line until it achieves plantation fiber self-sufficiency.
- j. APRIL will not acquire any new land, or forestry licenses; or receive wood from land licensed to third parties, where after 3 June 2015 the seller has knowingly cleared HCV or HCS forests or forested peatlands<sup>3</sup>. This shall not apply to acquisition of land or licences for the purposes of restoration or conservation activities under clause II.d of this Policy.

## II. Forest Protection and Conservation:

*APRIL enforced a moratorium on natural forest clearance pending the outcome of High Conservation Values (HCV) and High Carbon Stock (HCS) assessments by 15 May 2015. This moratorium also applies to all third-party wood suppliers to APRIL.*

- a. APRIL and its suppliers support the conservation and ecosystem restoration of natural forests, and forested peatlands, and other ecologically, hydrologically and culturally important areas where APRIL operates;
- b. APRIL and its Long-Term Supply Partners currently protect and manage more than 250,000 hectares of conservation areas and 70,000 hectares of ecosystem restoration areas;
- c. APRIL will undertake landscape scale assessments and apply a landscape approach to optimize forest conservation and other land uses;
- d. APRIL will establish conservation areas equal in size to APRIL's plantation areas<sup>4</sup>.

## III. Peatland Management:

*APRIL will implement best practices on peatland management which support the Government of Indonesia's target to reduce greenhouse gas emissions, and maintain other conservation values.*

- a. No new development by APRIL and its suppliers on forested peatland;
- b. A Peat Expert Working Group (PEWG) will be established to provide inputs and recommendations to APRIL on:
  - Best management practices to be implemented in existing plantations on peatland;
  - Actions required to ensure conservation of forested peatland and critical peatland landscape;
  - Development options for non-forested peatland;
- c. The recommendations from PEWG will enable APRIL to implement international best practice for tropical peatland to protect areas of forested peatland and to reduce GHG emissions;
- d. Pending input from PEWG:
  - No canals will be constructed where new plantation development is taking place on peatland;

<sup>2</sup> Under the *minimis* rule, small isolated areas within existing plantation concessions could be harvested only if they are not classified as HCV or HCS through the assessment process.

<sup>3</sup> Plantation land acquisitions will be reviewed by the SAC.

<sup>4</sup> The conservation areas will be of appropriate size, shape, connectivity, and representativeness to protect ecosystem functions and to conserve native biodiversity.

- Fire/flood prevention measures and maintenance of existing canals will continue in established plantation areas.

#### **IV. Continuous Reduction of Carbon Footprint:**

*APRIL commits to continuous reduction of its carbon footprint.*

- a. APRIL will continuously improve its material and energy efficiency throughout the supply chain, and optimize utilization of renewable energy;
- b. APRIL will increase its carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices;
- c. APRIL will track its carbon emissions and report progress on reducing its overall carbon footprint.

#### **V. Proactive Support of Local Communities:**

*APRIL will continually seek opportunities to consult and align with the interests of communities and create shared value through:*

- a. Strengthened efforts in alleviating poverty in rural communities around APRIL's areas of operation, through creation of jobs, providing better access to quality education, community empowerment, and enhancement of rural livelihood;
- b. Pro-active Corporate Social Responsibility (CSR) activities especially village entrepreneurship incubations and farming systems;
- c. Inclusion of smallholders/Small Medium Enterprises (SME) into APRIL's supply chains, where appropriate;
- d. Engaging stakeholders through regular multi stakeholder forums and focus groups to obtain inputs on social issues and develop a monitoring and reporting system.

#### **VI. Respect the Rights of Indigenous Peoples and Communities:**

*APRIL respects the rights of indigenous peoples and rural communities and commits to the following:*

- a. Respect the Universal Declaration of Human Rights, national laws and ratified international treaties, on human rights and indigenous people;
- b. Respect of the tenure rights of indigenous peoples and rural communities;
- c. Respect of the rights of indigenous peoples and communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operate on lands where they hold legal, communal or customary rights prior to commencing any new operations;
- d. No tolerance for the use of violence, intimidation or bribery;
- e. To ensure that relevant international best practices in FPIC are followed, APRIL will actively engage with stakeholders, including communities, government, customers and civil society at the local, national and international levels;
- f. Resolution of complaints and conflicts through mutually agreed, open, transparent and consultative processes that respect customary rights;
- g. To develop Standard Operating Procedures (SOP) and maintain processes for the responsible handling of the list of all complaints from communities and other relevant stakeholders. These processes will be developed, updated, improved, monitored and reported to the SAC and other relevant stakeholders.

#### **VII. Responsible Practices in Our Work Places:**

*APRIL commits to provide a safe, productive and conducive work environment throughout its wood supply chains where employees including those of sub-contractors, can contribute and advance, by ensuring specifically that:*

- a. International Labour Organization's Declaration on Fundamental Principles and Rights at Work is respected;



- b. Recruitment best practices are in place, meeting all legal requirements and cultural practices, including proactive recruitment of qualified workforce from local community;
- c. Freedom of association is respected;
- d. Diversity within its workforce is respected;
- e. If provided as part of employment package, accommodation is safe and hygienic;
- f. The health and safety of workers is protected. APRIL shall equip workers to protect them from exposure to occupational health and safety hazards;
- g. No tolerance is given for child labour, forced labour or bonded labour;
- h. No tolerance is given for discrimination, harassment and abuse in any form.

#### **VIII. Legal Compliance and Certification:**

*APRIL goes beyond legal compliance toward achieving Sustainable Forest Management (SFM).*

- a. APRIL reaffirms its commitment to comply with all prevailing laws and regulations, and requires all its wood suppliers to do so;
- b. APRIL participates in global SFM certification schemes and encourages its wood suppliers to do the same;
- c. APRIL currently has and will continue to maintain timber legality assurance certification;
- d. APRIL has strict “No Burn” policy and will follow the National legal requirement addressing impact of fires. APRIL will continue to support fire prevention and fire fighting efforts across the landscapes in which it operates;
- e. APRIL has a robust Chain of Custody (CoC) tracking system and mill wood sourcing monitoring system to ensure all the wood is traceable back to source.

#### **IX. Good Corporate Governance, Verification and Transparency:**

*APRIL commits to best practices in good corporate governance and transparency.*

- a. APRIL will maintain a Stakeholder Advisory Committee (SAC), established in 2014, to ensure transparency and implementation of this SFMP including appointment of an independent verification auditor;
- b. APRIL will establish a transparent, responsive grievance mechanism with input from stakeholders that is readily accessible to stakeholders and will respond to grievances in a timely and transparent way;
- c. APRIL will provide regular progress update on the implementation of APRIL’s SFMP to key stakeholders;
- d. APRIL will work collaboratively with Government, industry associations and other stakeholders to support sustainable development including national and local regulatory reform to improve spatial planning, incentivize forest conservation, support role out of “One Map” initiative by the Indonesian Government and promote the utilization of degraded lands.



## **Addenda to SFMP 2.0**

### **a. Invasive Species Policy**

APRIL and its suppliers commit to regular monitoring to identify any spontaneous regeneration, unusual mortality, diseases, insect outbreaks or other adverse ecological impacts. There are clear operational procedures defining effective management actions to control invasive species from sites in which they may regenerate.

### **b. Genetically Modified Organism Use Policy**

APRIL declares that no GMOs are used or are present in license areas or areas where research takes place under the company's direct or indirect responsibility.

### **c. Pesticides and Other Hazardous Materials Use Policy**

APRIL is committed to not using any restricted materials as listed in Annex 3 of the IFCC Standard 2013, the World Health Organisation Type Ia or Ib (2013), the Stockholm Convention (2016) and the Rotterdam Convention (2015).

### **d. Commitment to Protect Species of Conservation Concern**

APRIL and its suppliers commit to protecting rare, threatened and endangered species and their habitats that are present within operational areas using the best information available. This includes reference to the IUCN Red List, Indonesian Regulation and relevant International Conventions ratified by the Republic of Indonesia including CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and the Convention on Wetlands

*Appendix 2: Summary of Indicators*

<b>I</b>	<b>Long Term Sustainability:</b>
<b><i>Overall objective: By increasing the productivity of our own plantations and those of our suppliers on our existing plantation footprint and eliminating mixed hardwood from natural forest from our supply chain.</i></b>	
a.	Tonnes and % of fiber supply by region (PT. RAPP, Suppliers (concessions, community forests, outgrower programs)
b.	# of Ha developed by category (Forested, Non-Forested and HCV <sup>1</sup> /HCS <sup>2</sup> and non-HCV/HCS)
<b>II</b>	<b>Forest Protection and Conservation:</b>
<b><i>Overall objective: To increase the amount of conservation area to at least match that of our plantations and to develop and transition toward landscape based plans for our concessions and our long term supplier concessions to protect ecosystem functions and conserve native biodiversity.</i></b>	
a.	Ha of conservation area damaged (land claim/ no land claim)
b.	Progress toward 1:1 commitment
c.	Ha available for restoration
d.	Ha of restoration in progress
<b>III</b>	<b>Peatland Management:</b>
<b><i>Overall objective: Minimize greenhouse gas emissions and impacts on peatland function by halting further development of forested peatland and developing and implementing best practices on peatland that is currently non-forested or has established plantations.</i></b>	
a.	Percentage of peatland landscape under conservation
<b>IV</b>	<b>Continuous reduction of carbon footprint:</b>
<b><i>Overall objective: Reduce the lifecycle GHG emissions footprint of our products by increasing mill energy efficiency and use of renewable fuel sources and establishing an accurate baseline for land-based emissions from which to initiate emission reductions.</i></b>	
a.	Percentage of Kerinci mill energy needs met by renewable energy
b.	Track and report reductions in carbon emissions and increases in carbon sequestration through conservation and ecosystem restoration and continuous improvements in sustainable plantation management practices

<b>V</b>	<b>Proactive support of local communities:</b>
<i>Overall objective: To continually seek opportunities to consult and align with the interests of communities.</i>	
a.	Community Development Projects and sample of investments confirmed with in-field inspection
<b>VI</b>	<b>Respect the Rights of Indigenous Peoples and Communities:</b>
<i>Overall objective: To demonstrate respect for the rights of indigenous peoples and rural communities throughout operations.</i>	
a.	Ha of dispute area resolved and net change in area requiring resolution (including FPIC)
b.	Number of cases entered and resolved through the Corporate Grievance Mechanism
<b>VII</b>	<b>Responsible Practices in Our Work Places:</b>
<i>Overall objective: To provide a safe, productive and conducive work environment throughout its wood supply chains where employees including those of sub-contractors, can contribute and advance.</i>	
a.	# of fatalities
b.	% of contractor workforce currently approved under APRIL Contractor Safety Management System standards.
<b>VIII</b>	<b>Legal Compliance and Certification:</b>
<i>Overall objective: To go beyond legal compliance toward achieving sustainable forest management.</i>	
a.	Ha of concession burned
b.	% of fiber supplied with Sustainable Forest Management (SFM) certification & legality certification
<b>IX</b>	<b>Good Corporate Governance, Verification and Transparency:</b>
<i>Overall objective: To implement best practices in corporate governance and transparency.</i>	
a.	% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections
<b>X</b>	<b>Addenda to SFMP 2.0:</b>
<i>Overall objective: To address Sustainable Forest Management Topics of increasing importance since the development of SFMP 2.0 in 2015.</i>	
a.	Ha of GMO planted (including trials)
b.	Number and status of plans for priority Rare, Threatened and Endangered species (Not started, in development, approval, implementation)

## Appendix 3: Action Plans for New Opportunities for Improvement

<b>APRIL SFM Policy 2.0 Implementation –Action Plans for Opportunities for Improvement April 29, 2024</b>		
<b>Indicator VII.a</b>	<b># of Fatalities</b>	
<b>2024 Opportunity for Improvement #1</b>	<p>The following safety related findings were noted during our assessment, indicating a continuing need to focus on the continued development of safety culture across the company and its suppliers:</p> <p>A) All fatality incidents within fiber operations related to new contract workers who had been working at APRIL for under 1 year and this observation was not evident in the incident investigations and root cause analysis documentation.</p> <p>B) A review of incident reports did not indicate a clear focus on the adequacy of hazard assessment processes prior to initiating new work or changing existing work. Examples of safety related observations that would be expected to be identified by a robust hazard assessment process noted during site visits include:</p> <ul style="list-style-type: none"> <li>• Company jet boats did not have infant life jackets. Infants were being passed up and down between the boat and the top of the jetty.</li> <li>• A jetty being used by company jet boats lacked appropriate handrails and decking was missing.</li> </ul> <p>Ongoing issues were noted at one site with failure of lashing used to secure loads of wood on trucks. To date, the solution has been to provide new straps. Incident reports do not indicate a clear consideration as to whether the current lashing is adequate or if there is an opportunity to provide additional training on loading and securing wood and/or revising lashing equipment and procedures.</p>	
<b>APRIL Action Plan</b>	<p>APRIL is committed to:</p> <ul style="list-style-type: none"> <li>- Take this the opportunity to review and improve the existing incident investigations and root cause analysis as well as the effectiveness of safety induction or socialization procedures for new contractor workers (less than 1 year).</li> <li>- Take this opportunity to re-analyze the following items: <ul style="list-style-type: none"> <li>• Traveler safety in the Futong area and to install hand-rail and deck at the Jetty Futong.</li> <li>• Quality of lashing used and other factors in the root cause analysis for lashing failures.</li> </ul> </li> <li>- Conduct refresher training that covers the following topics: <ul style="list-style-type: none"> <li>• Improvements in root cause identification during incident investigation/analysis process including consideration of working period of victim (man factor) and hazard assessment for Incident Investigators.</li> </ul> </li> </ul>	<p>Timeframe: Dec 2024</p>

	<ul style="list-style-type: none"> <li>• Loading and unloading logs as well as other safety lashing activities for Hauler drivers.</li> <li>• Hazard Identification, Risk Assessment, and Determining Control (HIRADC), Change Management, and Job Safety Analysis and the implementation.</li> </ul>	
<b>KPMG PRI Review of action plan</b>	KPMG PRI has reviewed and accepted the proposed corrective actions.	
<b>Indicator VII.a</b>	<b># of fatalities</b>	
<b>2024 Opportunity for Improvement #2</b>	<p>During field visits it was noted that PPE were either not consistently being worn by employees and contractors or not consistently provided.</p> <p>The following observations were made at PT. RAPP/Supply Partner sites:</p> <ol style="list-style-type: none"> <li>1) At one supply partner, workers loading trucks were observed as lacking high-visibility vests and gloves.</li> <li>2) At a jetty, there were several workers not wearing appropriate PPE (e.g., hard hats, high visibility vests and foot ware). In addition, some workers were engaged in horseplay with a worker being pushed off the barge with a 2 to 3m drop.</li> </ol> <p>The following observations were made at an Open Market Supplier site:</p> <ol style="list-style-type: none"> <li>1) A chemical applicator was using his hands with gloves to scoop chemicals for application onto seedling. A tool has now been provided. The chemical was observed to be dripping on the ground. The drainage tray has now been angled to drip back into the main tray rather than on the ground. Additionally, the gloves worn by the planters appear to be too porous to keep hands protected from the chemicals.</li> <li>2) The debarking crew were not wearing high visibility vests while working on site.</li> </ol>	
<b>APRIL Action Plan</b>	<p>For the observations on PT. RAPP/Supply Partners:</p> <ul style="list-style-type: none"> <li>- APRIL will conduct refresher socialization regarding safety operation and use of PPE to all workers in the workplace.</li> <li>- APRIL will continue to conduct safety inspections periodically.</li> </ul> <p>For the observations on O-M Suppliers (PT. NKL):</p> <ul style="list-style-type: none"> <li>- APRIL will work with PT. NKL to ensure that the seed dipping procedure is carried out properly including adequate level of chemical solutions and also to ensure harvesting workers (de-barker crews) are equipped with high visibility vests in the field.</li> </ul>	Timeframe: Dec 2024
<b>KPMG PRI Review of action plan</b>	KPMG PRI has reviewed and accepted the proposed corrective actions.	
<b>Indicator IX.a</b>	<b>% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections</b>	

<b>2024 Opportunity for Improvement #3</b>	APRIL's due diligence processes for wood suppliers are captured in the SOP AGRO/SFM-003-PR. While the SOP has been updated to differentiate between log suppliers and chip suppliers, the procedures for chip suppliers do not include a retrospective analysis to determine whether supply sites were subject to forest clearing after June 2015. The nature of current chip supplies is agricultural land and some additional evidence is available to support a risk based approach to these sites. The absence of specific steps (whether risk based or through a detailed retrospective analysis depending on the nature of the supply) within the chip supplier due diligence process leads to a potential increased risk of non-conformance with a key commitment of SFMP 2.0.	
<b>APRIL Action Plan</b>	APRIL will review and implement appropriate control measures for the commitment of no conversion after June 2015 to all Chip suppliers and revise the SOP SFMP 2.0 Compliance AGRO/SFM-003-PR accordingly.	Timeframe: Dec 2024
<b>KPMG PRI Review of action plan</b>	KPMG PRI has reviewed and accepted the proposed corrective actions.	
<b>Indicator X.b</b>	Number and status of plans for priority Rare, Threatened and Endangered species (Not started, in development, approval, implementation)	
<b>2024 Opportunity for Improvement #4</b>	Through discussion with APRIL and review of priority RTE documentation, KPMG PRI found all plans are currently for fauna species. As APRIL's activities have the potential to impact both flora and fauna species, this is a gap in the coverage for this indicator. Additionally, KPMG PRI found there is no defined timeline for the approval and implementation of the priority RTE species plans. Without a defined timeline, there is a risk of inconsistent and/or delayed progress in meeting this indicator.	
<b>APRIL Action Plan</b>	APRIL will set clear targets/timelines related to RTE Species specific management plan including: <ul style="list-style-type: none"> <li>- Clear implementation timeline for the 3 RTE Species Management Plan that has been finalized on 2023 (Sumatran Tiger, Sumatran Elephant, and Sunda Pangolin)</li> <li>- Clear timeline to complete or start the development of other RTE Species specific Management Plan, including Flora RTE Species</li> </ul>	Timeframe: Dec 2024
<b>KPMG PRI Review of action plan</b>	KPMG PRI has reviewed and accepted the proposed corrective actions.	
<b>Indicator II.c</b>	<b>Ha available for restoration</b>	
<b>2024 Opportunity for Improvement #5</b>	The 5-year analysis of hectares available for restoration captures restoration opportunity in areas that were historically encroached inside conservation area that are not currently under claim (i.e., available for immediate restoration). Current restoration activities significantly exceed the annual targets as the area available for restoration is supplemented on a continuing basis by 1) new encroachment requiring restoration; and 2) the restoration of land areas associated with historic encroachment following the resolution of the associated land claims. However, the location of the areas recovered and restored is not prioritized based on their potential to support the Company's conservation priorities as documented in Conservation Forest Management Plans and the developing plans for species at risk.	



	Given the significant area of non-forested land that remains under claim within conservation area, there is an opportunity to further support restoration objectives by setting specific targets for resolution of land claims within conservation area, particularly in higher-priority areas identified in Conservation Forest Management Plans and the developing plans for species at risk.	
<b>APRIL Action Plan</b>	APRIL will set a specific land recovery target for Conservation Area and the priority target can be driven from the Patch Analysis as part of Conservation Forest Management Framework (CFMF) plan or matrix updates.	Timeframe: Dec 2024
<b>KPMG PRI Review of action plan</b>	KPMG PRI has reviewed and accepted the proposed corrective actions.	

*Appendix 4: Update on Action Plans for Historic Opportunities for Improvement*

**APRIL SFM Policy 2.0 Implementation – Update On Action Plans For Previous Opportunities For Improvement  
2020**

Indicator VI.f	% of grievances resolved in accordance with the grievance standard operating procedure (SOP)
<b>2020 Opportunity for Improvement #2</b>	<p>Grievance processes have been implemented across both P.T. RAPP and Supply Partners to capture and address site level (“offline”) grievances raised by communities.</p> <p>Management has established mechanisms so that it has visibility into the type and extent of grievances occurring on PT. RAPP Estates. However, a similar level of management visibility over the type and extent of grievances at supply partner concessions has yet to be established.</p>
<b>Summary of completed APRIL actions</b>	<p>A revised grievance mechanism has been approved that is more streamlined and includes centralized oversight over site level (“offline”) grievances raised by communities which are to be reported on a weekly basis. Additional methods to register grievances have been formalized, including a hotline. This revised mechanism has not yet been implemented.</p> <p>PT. RAPP sites implemented the revised grievance SOP in 2022 leading to central recording of PT. RAPP grievances.</p> <p>Supply Partner sites have implemented a revised grievance process also. However, while this leads to centralization of supply partner grievances it does not, to date, lead to APRIL having improved visibility over the nature and extent and handling of supply partner grievances.</p>
<b>Current Status as of March 2023</b>	This OFI remains OPEN and is in progress.
<b>Current Status as of March 2024</b>	APRIL confirmed that Supply Partners are to provide annual updates. Evidence was shared that Supply Partners sent an update of grievances to APRIL on Jan 31, 2024. The status of this finding is <b>CLOSED</b> .

**APRIL SFM Policy 2.0 Implementation – Action Plans for Previous Opportunities for Improvement - March 3, 2023  
2022**

<b>Indicator I.b</b>	<b># of Ha developed by category (Forested, Non-Forested and HCV*/HCS** and non-HCV/HCS).</b>	
<b>2022 Opportunity for Improvement #1</b>	<p>APRIL SFMP 2.0 has a clear commitment to HCS assessment ahead of development activities. Recognizing that HCS has evolved significantly since the SFMP 2.0 commitments were made and that HCS assessment takes significant time, in the interim APRIL have developed a land recovery SOP to guide retention of residual forest values during land recovery of ex-dispute areas in order to mitigate risk to residual forest values. Our assessment found that while this SOP is being implemented:</p> <ul style="list-style-type: none"> <li>the SOP is designed for small scale land recovery. As the areas recovered increase in scale, there is a need to re-evaluate the SOP and particularly, to clarify where the scale of recovery requires HCS assessment.</li> <li>For existing land recovery operations there is an opportunity to clarify standards for the quality of photographic evidence required to support the current, and historic, deforested status of the land that is necessary for the land to be eligible for development.</li> </ul>	
<b>APRIL action plan</b>	APRIL will review the Land Recovery Analysis SOP, clarifying the scale, perhaps also adding more additional steps and look at the opportunities to improve the quality of photos/images.	Timeframe: September 2022
<b>Summary of completed APRIL actions</b>	The Land recovery SOP is not yet updated. A flow chart of the proposed process has been developed and remains draft but further work is required to ensure full alignment with SFMP 2.0 commitments.	
<b>Current Status as of March 2023</b>	A new SOP has been implemented “Rotation one planting analysis.” Procedure and flowchart look reasonable. Field level review in Sectors to observe effectiveness pending.	
<b>Current Status as of March 2024</b>	No further similar observations were noted in 2024 and the use of the new SOP was observed. APRIL has developed and implemented a new SOP called “Rotation one planting analysis.” The procedure and flowchart look reasonable to address the opportunity for improvement. A field level review of R1 analysis and the use of the procure did not reveal any deficiencies. No further similar observations were noted in 2024 and the use of the new SOP was observed, therefore, this opportunity for improvement has been <b>CLOSED</b> .	

**APRIL SFM Policy 2.0 Implementation –Action Plans for Opportunities for Improvement**

**April 25, 2023**

Indicator VII.a	# of Fatalities	
<p><b>2023 Opportunity for Improvement #1</b></p>	<p>An opportunity for improvement exists for APRIL to continue to work on strengthening its safety culture to support the investments it has already made in improved safety processes. Several observations related to safety were noted including:</p> <ul style="list-style-type: none"> <li>- At SSL evidence of smoking in locations designated as ‘No Smoking’ at a temporary camp (evidence provided post site visit showing improvements in the field); no field refueling procedures were in place at the time of the assessment; and one extinguisher was not inspected and not showing as charged.</li> <li>- At Teso despite a truck inspection program being in place trucks were observed with tire treads and sidewalls in poor condition. We also noted that inspection forms are not capturing images of what has been inspected.</li> <li>- Currently APRIL does not have a systematic program or process to ensure that findings from safety incidents or audits are communicated across all PT. RAPP and Supply Partner operations to support enhanced safety awareness and act as part of a preventative safety strategy.</li> <li>- At Bayas it was observed that a recent ‘first aid’ incident had not been reported. Given that there are over 1200 workers at SRL with only three reported incidents in 2022, this rate appears extremely low considering total exposure hours. This figure and the noted unreported incident raises a question as to whether incidents are routinely being not reported.</li> </ul>	
<p><b>APRIL Action Plan</b></p>	<p>APRIL will continue the awareness training, audit and inspection to ensure consistent implementation of the current SOP and programs as well as improving the system.</p>	<p>Timeframe: December 2023</p>
<p><b>KPMG PRI Review of action plan</b></p>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> Review of action plan implementation:                      Point#1a – APRIL has developed training material for each of the items noted and evidence of socialization of the training was observed. A new field re-fueling procedure was observed to be in place and socialized at the same time as Point#1c noted in the finding above and an email. Field level review in a sample of peat sectors did not identify further observations of this type in 2024 - <b>CLOSED</b>                      Point#1b – APRIL has re-trained the Sectors in the haul inspection program and requirements. No further similar observations were noted in 2024 during field inspections - <b>CLOSED</b></p>	

	<p>Point#1c – a monthly email is now sent to Sector safety reps. Email samples were reviewed for Nov/Dec 2023 and their receipt and use checked at one Sector (Pelalawan) - <b>CLOSED</b></p> <p>Point#1d – APRIL has held training sessions to re-enforce the requirement to report all medical related incidents at all Sectors. No further similar observations were noted in 2024 during field inspections - <b>CLOSED</b></p> <p>All actions appear to be completed based on office review. A check in the Sectors in 2024 confirmed implementation. Training sessions were conducted across concessions through the 2023 period, and evidence of these sessions was provided. Additionally, monthly emails are being provided to sector safety representatives to communicate safety reminders to employees to encourage a better safety culture. Changing safety culture is a long process and since APRIL has provided sufficient evidence to KPMG to address the four items noted in the opportunity for improvement the 2023 Opportunity for Improvement #1 has been <b>CLOSED</b>.</p>	
<b>Indicator VII.a</b>	<b># of fatalities</b>	
<b>2023 Opportunity for Improvement #2</b>	While investigations are being conducted for safety incidents that do not involve fatalities (i.e., LTI, MA, etc.), action plans are being logged in separate tracking documents. There is no consolidated tracking system to track all action items that would allow systematic closure across all operations and the ability to analyze trends and identify areas for improvement (e.g., targeted safety training).	
<b>APRIL Action Plan</b>	APRIL will consolidate the database and tracking system for all action plans coming out from incident investigation.	Timeframe: June 2023
<b>KPMG PRI Review of action plan</b>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> A new consolidated database is in place and tracks all incidents. APRIL shared a copy with KPMG. Also, a summary of incidents is being shared monthly across all sectors to raise awareness.</p> <p>APRIL has shifted to a consolidated database for tracking incidents, investigations, and action plans with implementation timelines. As a result of this consolidation, a summary of monthly incidents is now being shared across all sectors to improve safety awareness. Based on the progress described above APRIL 2023 Opportunity for Improvement #2 has been <b>CLOSED</b>.</p>	
<b>Indicator VII.b</b>	<b>% of contractor workforce currently approved under APRIL Contractor Safety Management System standards.</b>	
<b>2023 Opportunity for Improvement #3</b>	The CSMS database does not currently track the date that audits of contractors were completed. This is particularly important in cases of “pass with note” as these categorizations are changed to “pass” when missing supporting evidence is provided, and no updated report is required, therefore it is difficult to determine when contractors become fully certified.	

<b>APRIL Action Plan</b>	APRIL will upgrade the CSMS Database to include information of date of audits and date of approved certifications.	Timeframe: June 2023
<b>KPMG PRI Review of action plan</b>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> APRIL presented a new CSMS database that now has date columns added for desktop and field verification completion. The status of this finding is <b>CLOSED</b>.</p>	
<b>Indicator VII.b</b>	<b>% of contractor workforce currently approved under APRIL Contractor Safety Management System standards.</b>	
<b>2023 Opportunity for Improvement #4</b>	Parts of the Meranti mainline is sinking and there were numerous potholes and flooded areas observed creating very poor driving conditions. The current state of the mainline is creating safety and operational issues. Since it is expected to take up to 4 years to complete required road upgrades further action may be required to reduce safety risks.	
<b>APRIL Action Plan</b>	APRIL will conduct further analysis and come out with some action to reduce the safety risks.	Timeframe: September 2023
<b>KPMG PRI Review of action plan</b>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> APRIL presented an analysis of options to repair the mainline and provided photographic evidence of completed repairs and evidence of maintenance being conducted in Meranti. Approximately 16km of road was repaired. Based on the actions completed to date the status of this finding is <b>CLOSED</b>.</p>	
<b>Indicator VIII.b</b>	<b>% of fiber supplied with Sustainable Forest Management (SFM) certification &amp; legality certification</b>	
<b>2023 Opportunity for Improvement #5</b>	<p>Several previous findings have remained open beyond the planned internal closure date and progress on closing out findings is slower than committed to in approved action plans.</p> <p>This was found both in internal action plans, and action plans from external audits, including SAU action plans for 2022 PEFC forest management and government sustainable forest management audits.</p> <p>As a result, there is an opportunity for improvement to improve the timeliness of action plan implementation to ensure committed timelines are met and continuous improvement initiatives are delivered on.</p>	

<b>APRIL Action Plan</b>	APRIL will strengthen the internal commitments to close out the internal and external action plans as per the agreed timeline.	Timeframe: September 2023
<b>KPMG PRI Review of action plan</b>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> APRIL presented an internal memo dated November 5, 2023 instructing employees and Supply Partners to observe both internal and external timelines for closing findings. In addition, APRIL developed a PowerPoint presentation on non-conformity procedures that was shared with KPMG and reviewed while onsite; an internal bulletin was sent out on December 20, 2023; and awareness training was conducted in late November 2023. Evidence was presented that APRIL presented three sessions, one in Pekanbaru, Arie and Baserah. Subsequently info was shared with each sector. A sample of corrective actions was reviewed at Palauawan and Ukai and no further observations were noted in relation to overdue action items in 2024. Based on the actions completed to date the status of this finding is <b>CLOSED</b>.</p>	
<b>Indicator IX.a</b>	<b>% of Open Market suppliers meeting minimum supplier standards based on annual due diligence inspections</b>	
<b>2023 Opportunity for Improvement #6</b>	<p>In 2022, APRIL began adding chip suppliers to their Open Market (“OM”) supplier list, including a trial for an OM chip supplier in Vietnam. The current SFMP 2.0 Compliance due diligence SOP was developed considering log suppliers and does not address the specific complexities and different risks associated with overseas chip suppliers.</p> <p>In addition, APRIL contracted with a new trial chip supplier in Vietnam that did not meet APRIL’s minimum standards during the initial due diligence process. Not all requirements of the current SFMP 2.0 Due Diligence SOP for accepting fiber were met as a field visit was not conducted prior to signing the contract. While no non-compliances were identified with SFMP 2.0, the level of documentation and field inspection data gathered was insufficient for the current SFMP 2.0 due diligence requirements.</p>	
<b>APRIL Action Plan</b>	APRIL will revise its SFMP 2.0 Compliance SOP to add the procedures and requirements for Chip Suppliers and ensure the implementation of the revised SOP.	Timeframe: December 2023
<b>KPMG PRI Review of action plan</b>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> The new SOP was presented and reviewed by KPMG PRI as part of our Office work along with examples of new supplier documentation that confirmed the new SOP is in use. Based on the actions completed the status of this finding is <b>CLOSED</b>.</p>	



	<p>However, while the SOP has been updated to differentiate between log suppliers and chip suppliers, the procedures for chip suppliers do not include a retrospective analysis to determine whether supply sites were subject to forest clearing after June 2015. The nature of current chip supplies is agricultural land and some additional evidence is available to support a risk based approach to these sites. The absence of specific steps (whether risk based or through a detailed retrospective analysis depending on the nature of the supply) within the chip supplier due diligence process leads to an increased risk of non-conformance with a key commitment of SFMP 2.0. This is being raised a new 2024 <b>Opportunity for improvement #3</b>.</p>	
<b>Indicator VIII.a</b>	<b>Ha of concession burned.</b>	
<b>2023 Opportunity for Improvement #7</b>	<p>Evolving satellite detection technology, higher quality resolution and increased public access to multiple data sources mean that APRIL tree cover loss as a result of fire and community clearing is readily detectable, although with widely varying degrees of accuracy, analysis methodology and interpretation of the data. As a result, there is an opportunity for APRIL to ensure that its tree cover loss monitoring processes are aligned with these improving data sources and technology and to identify collaboration options with global data platforms to support continuing improvement in the analysis and interpretation of the data.</p>	
<b>APRIL Action Plan</b>	<p>APRIL will align its tree cover loss monitoring processes with the improving data sources and technology and to identify collaboration options with global data platforms to support continuing improvement in the analysis and interpretation of the data.</p>	<p>Timeframe: September 2023</p>
<b>KPMG PRI Review of action plan</b>	<p>APRIL Action Plan Accepted, April 27, 2023</p> <p><b>2024 Update:</b> APRIL demonstrated that it is aligning tree cover loss monitoring processes (e.g., hotspot identification, boundary delineation, ground truthing and satellite imagery) with improved data sources (e.g., SIPONGI: TERRA/AQUA, NASA (MODIS, NOAA20 &amp; SNPP)) to support continuing improvement in the analysis and interpretation of the data to more accurately identifying and quantifying cover loss. Reviewed presentation of approach that seems reasonable, and evidence is on file. The status of this finding is <b>CLOSED</b>.</p>	